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TODAY:
STAGE

London-Frankfurt Stock Linkup Set

By Tom Buerkle
International Herald Tribune

LONDON — Europe's single currency will be the springboard for a single European stock market that could rival the New York Stock Exchange under an ambitious alliance announced Tuesday by the London and Frankfurt markets.

The two exchanges said they would begin by combining their trading of the biggest German and British equities in a joint venture over the coming year, then seek to develop a single, electronic system for trading stocks of the 300 largest European companies.

The exchanges hope that pooling their resources will attract global investors and cut transaction costs, thereby reducing the cost of capital for European companies and making them more competitive.

"This is important for an emerging European capital market," said Werner Seifert, chief executive of Deutsche Boerse AG, the German stock exchange. "It creates a new center of gravity, from which the whole EU economy will benefit."

Gavin Casey, the chief executive of the London Stock Exchange, said the two partners would urge other European

A big step for Frankfurt, Page 15.

exchanges to join them in an effort to end the fragmentation of European equity trading among small and costly national exchanges.

"There is tremendous potential to remove the various interfaces between markets and make it all a whole lot simpler," he said.

The surprise announcement, which

appeared to stun other stock markets across Europe, helped ease concerns here that Britain's decision to stay out of the euro initially when the single currency is launched in January could threaten London's position as a financial center, bankers said.

Mr. Casey said the London exchange would even switch to quoting stocks in euros if a majority of its members support such a change.

The agreement also represented a truce between Frankfurt and London in their struggle to dominate Europe's markets for financial services after monetary union. The new system will be electronic, allowing dealers anywhere in the world to buy or sell shares over a computer screen, so no broker or banker needs to pack up and move.

"We must probably stop thinking in

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The Nigerian opposition leader Moshood Abiola, shown in 1993.

Opposition Chief Dies in Nigeria

Abiola, Jailed After Military Voided Vote, Has Heart Attack

Compiled by Our Staff From Dispatches

ABUJA, Nigeria — Nigeria's most prominent political prisoner, Moshood Abiola, died of a heart attack Tuesday after falling ill during a meeting with a visiting U.S. delegation, the government said. He was 60.

"The federal government regrets to announce the sudden death of Chief M.K.O. (Moshood) Abiola," a government statement said.

"Chief Abiola was taken ill during a meeting which was being held by Nigerian and United States officials with him," the statement said.

The statement from the president's office said an autopsy would be performed.

In Washington, a senior State Department official confirmed that Mr. Abiola fell ill while meeting with a delegation led by Undersecretary of State Thomas Pickering. The State Department official, asking not to be identified, said Mr. Abiola began coughing and wheezing and apparently died of a heart attack.

Mr. Abiola was reportedly to have been freed soon after four years of imprisonment.

One of only two candidates in an election in 1993, judged by the international community to be free and fair, he became the figurehead of the opposition after the election was voided by the military.

After the military crushed protests against the cancellation of the vote, Mr. Abiola announced in 1994 that he considered himself the rightful president.

He was almost immediately arrested on treason charges by the authorities under the then ruler, General Sani Abacha. General Abacha himself died June 8 of a heart attack.

Kofi Annan, UN secretary-general, visited Nigeria last week and pushed for Mr. Abiola's release.

Mr. Abiola's family had repeatedly warned that his health had been failing after years in detention under harsh conditions. His fortune and personal life also suffered during his imprisonment.

Two of his many wives died — one in an assassination-style slaying — and his business empire largely collapsed.

Mr. Annan said after his visit that he met with Mr. Abiola and that the opposition leader had decided to relinquish his claim to the presidency and cooperate with Nigeria's junta in making a peaceful transition to democracy. Many of his supporters, however, still wanted to see him take office.

Nigeria became an international pariah under the rule of General Abacha, who took power in the West African nation following a coup in 1993.

Political jailings were rampant; between 250 and 280 people are believed still held across Nigeria. All are kept in regular prisons except for Mr. Abiola, who was detained in the relative comfort of a government guest house in Abuja, the capital.

During General Abacha's years in power, corruption tore away at Nigeria's economy and its infrastructure, leaving both in shambles. Despite the country's vast oil reserves, motorists line up and wait for hours at the few gas stations that have not run dry.

An unlikely symbol for the opposition, Mr. Abiola was a millionaire businessman from the southwest Yoruba region.

An accountant by training, he worked for a while as West African representative of the American telecommunications giant ITT before branching out into business for himself.

With wide interests, from fishing to transport to the media, he made himself a dollar millionaire.

Married with four wives and a large number of children, he was assured during his captivity of their vocal support. On June 4, 1996, however, one of his wives, Kudiratu Abiola, was shot to death. The killers were never found, and there was speculation on the involvement of security officials. (AP, AFP)



Mr. Berlusconi was sentenced to two years and nine months.

Milan Court Convicts Berlusconi Of Bribery

By Vera Haller
Special to the Herald Tribune

ROME — A jury convicted the media baron Silvio Berlusconi, Italy's opposition leader and former prime minister, on Tuesday of paying bribes to tax inspectors and sentenced him to two years and nine months in prison.

The verdict in Milan set off an avalanche of criticism from the center-right opposition, led by Mr. Berlusconi himself, that the decision was politically motivated and aimed to strip him of power.

"When you use political prosecutions to eliminate the democratic opposition, you no longer have a democracy, you have a regime," Mr. Berlusconi said in a statement.

Under Italian law, Mr. Berlusconi would not have to begin serving the sentence unless the verdict is upheld during a lengthy appeal process. Even if upheld, he would probably avoid serving time by seeking a suspension of the sentence, allowed for prison terms under three years if the defendant commits no new crimes during a set period and also possibly does some community service.

Mr. Berlusconi, who served as prime minister for seven months in 1994 and is one of Italy's richest businessmen, was convicted of paying bribes to inspectors of the tax police force in exchange for favorable audits of some companies in his Fininvest media and retail holdings.

He had always proclaimed his innocence, saying the payments were extorted from Fininvest by corrupt inspectors.

After the verdict was read, ending a two-year trial, witnesses said his attorney, Ennio Amodio, was visibly shaken. Mr. Amodio later told reporters that when he gave Mr. Berlusconi the news over the

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Sudan Sinks Into Famine, Despite Aid And Pleas

By Karl Vick
Washington Post Service

AJIEP, Sudan — As the gate is about to close for the night on the feeding center here, near-lifeless bodies start turning up everywhere. Three have collapsed just outside the reed walls of the compound, human skeletons so thin they look two-dimensional against the ground.

Three, then four, then five, then, somehow, eight others have been carried inside and laid among the swarm of gaunt people still strong enough to beckon medical workers, who have spent the day ministering to the hundreds gathered outside this place that has food.

The workers move from body to body, feeling for a pulse, crumbling high-calorie biscuits into palms, pouring sugar water from gourd to mouth. The impossibly sunken cheeks of a man too weak to hold his head up by himself fall deeper into his face as he slurs.

"This is the worst," said Henry Verbeke, who has happened on the scene while making the rounds of seven feeding centers run by the international aid agency Doctors Without Borders in southern Sudan. "The number of children, the number of adults and the general situation" — he opens his hands toward a scene out of Dante — "you can see for yourself."

Four months after aid agencies issued warnings of impending famine in southern Sudan, and two months after they marshaled public opinion in the name of heading it off, starvation has arrived regardless.

Across a vast region unsettled by civil war and erratic weather, the United Nations now says, 1.2 million people are in danger of death from hunger. The total is four times the population expected two months ago to be in danger, but the

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Ronald de Boer, center, tumbling with a helping hand from Aldair of Brazil, left, as Dunga closes in.

Brazil Wins in Shoot-Out

Late Dutch Goal Forces Extra Time, to No Avail

By Christopher Clarey
International Herald Tribune

MARSEILLE — Four years ago in the United States, Brazil won its unprecedented fourth World Cup by defeating Italy on penalty kicks. On Tuesday night, it earned a chance to retain its crown by giving the Dutch the same treatment in the semifinals.

The two teams had finished level, at 1-1, at the end of the regulation 90 minutes, and neither scored in the 30 minutes of sudden death. But Taffarel, the Brazilian goalkeeper, saved two kicks to give his team a 4-2 victory in the shoot-out. Brazil will play the winner of the semifinal Wednesday between Croatia and France, in Saint Denis on Sunday.

Goalkeepers are seldom the focus in Brazil, a nation where strikers and play-makers are the heroes imitated on the beaches and in the city streets, but after Tuesday, it is possible that young Brazilians may be busy imitating Taffarel this summer.

The 32-year-old was unable to find a job for part of the season that followed Brazil's victory in 1994. He even played striker for a church team in Italy to help occupy his considerable free time. But against the Dutch, Taffarel was back on the field and back in the spotlight, and after the two teams finished 120 minutes of play tied, he took his spot on the goal-line and then took over.

First, he stopped the third Dutchman

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AGENDA

Secret Service Ordered to Testify

WASHINGTON (AP) — A federal appeals court panel ruled Tuesday that three Secret Service agents must tell a grand jury in the Monica Lewinsky investigation what they observed while guarding the president. The administration must now decide whether to appeal the ruling to the Supreme Court, ask the full appeals court to hear the case or abide by the decision.

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.8145	1.8111
Yen	138.575	140.195
FF	6.084	6.0765
Pound	1.6379	1.638
Dollars per pound		
The Dow		
Tuesday close	percent change	
- 6.73	9,085.04 — 0.07%	
S&P 500		
Tuesday close	percent change	
- 2.65	1,154.96 — 0.23%	
Nasdaq		
Tuesday close	percent change	
- 1.37	1,808.10 — 0.07%	

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The full on-line version at www.ihl.com	

Oil Price Plunge Confounds Malaysia

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Malaysia's ability to tap its considerable oil and natural-gas reserves for much-needed cash appeared to have evaporated Tuesday, when officials from Petronas National Bhd., the state petroleum company known as Petronas, announced that sales last year fell \$2 billion.

In a conference room halfway up the world's tallest building — a newly opened \$550-million structure that the company built as its headquarters — officials spoke of a "difficult and challenging year."

Increased production, they noted, did little to reverse the effects of a persistent decline in oil prices.

In terms of the local currency, the ringgit, the company's balance sheet is

healthy: profits and sales both grew by at least 20 percent last year.

The figures were deceiving, however, because the ringgit declined 40 percent since the Asian financial crisis started a year ago.

Profits in dollar terms fell \$200 million.

Put simply, Malaysia's cash cow is a lot thinner these days.

Like several other troubled East Asian countries, Malaysia recently decided that it would try to spend its way out of the current economic crisis — a radical shift from the International Monetary Fund-style austerity program

it had embraced in the nine months after the onset of the economic crisis.

Altogether, the government plans to put 12 billion ringgit (\$2.9 billion) into stalled infrastructure projects and social spending in an effort to keep the economy from shrinking.

Malaysia's deputy prime minister, Anwar Ibrahim, said Tuesday the government would speed up construction to try to avoid negative growth.

But he said the crisis would force the government to revise downward its projections of 2 to 3 percent growth.

See MALAYSIA, Page 6

Gloomy East Germans Hold Key to Kohl's Future

By Alan Cowell
New York Times Service

DRESDEN — Fritz Hahle is one of those bluff party bosses who burnish the silver lining, however gloomy the cloud that hovers over his fief in Eastern Germany. Two months from a pivotal national election, Mr. Hahle is finding it hard to be optimistic.

Chancellor Helmut Kohl, Mr. Hahle's ultimate boss, is fighting an uphill battle for a precedent-setting fifth term. And, with Eastern unemployment stubbornly high — twice as high as in Western Germany — and a nationwide malaise settling in over Mr. Kohl's 16 years in office, the German leader and his Christian Democrat party face a cruel twist of fate.

German unity eight years ago was Mr. Kohl's biggest single triumph; now its tribulations could help

unsettle him, fundamentally redrawing Germany's political landscape, and Europe's, too, just as the Continent confronts the upheavals of globalization and its own striving for economic unity.

"As things stand, there's not much of a chance," Mr. Hahle said. "People still regard Helmut Kohl as the chancellor of unity. But many people are also saying: 16 years is enough. That is what is making it difficult for us."

The view finds its echoes on the streets, in the cafes, and in the jobless lines. "The people want hope and Helmut Kohl can't deliver that," said Thomas von Danckelmann, an unemployed heating engineer who plans to vote for the opposition Social Democrats.

The troubles in Eastern Germany are particularly significant, because the politically volatile eastern states yield the swing voters that can make or break the

narrow margins of success. The Sept. 27 election will be the third since unification and arguably the most important since the end of World War II, determining how the economic powerhouse of Europe defines its future and how it exerts its mighty influence — with or without a player whose record-breaking stint in office has made Mr. Kohl an immutable center of gravity.

But it will be fought in Eastern Germany on one basic question: Is the glass half-full, or half-empty? Is reunification a work-in-progress that will produce the "blossoming landscapes" that Mr. Kohl promised, or has this experiment in fusing two Germanys failed?

Four years ago, Mr. Hahle delivered a victory here for Mr. Kohl and his party: of all Germany's 16 federal states, his state — Saxony — scored the single biggest

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Israeli Planes Hit Hezbollah Positions

TYRE, Lebanon (Reuters) — Israeli warplanes raided suspected positions of the Iranian-backed Hezbollah in southern Lebanon on Tuesday, a security source said.

The source said two planes fired two rockets at the hills west of the village of Yater, north of the western sector of the southern Lebanon zone occupied by Israeli troops. There were no immediate reports of casualties in the attack.

Earlier Tuesday, the Muslim group said in a statement that its guerrillas attacked an Israeli position in the western sector of the zone.

Newsstand Prices	
Andorra	10.00 FF Lebanon
Antilles	12.50 FF Morocco
Canton	1.600 CFA Dollar
Egypt	EE 5.50 Rdunon
France	10.00 FF Saudi Arabia
Gabon	1.100 CFA Senegal
Italy	2.800 Lire Spain
Ivory Coast	1.250 CFA Tunisia
Jordan	1.250 JD U.A.E.
Kuwait	700 Fils U.S. M.L. (Eur)



الشرق الأوسط

Black and White Together / Attitude of 'Live and Let Live'

The Empire Lives On in Britain's Multiracial Cities

By John Burgess
Washington Post Staff Writer

SLOUGH, England — There were some awkward moments on the vacation trip that Georgina Coke and Gary Swanson took to the United States. One day they checked into a hotel, and the clerk took it for granted that Georgina was some kind of singer and Gary her manager — so naturally they would want separate rooms. Later, they had a fender-bender accident, and the people in the other car focused not on the damage, but on the fact that the two tourists with the strange accents seemed to be a couple.

They laugh about these incidents now, five years later. They like the United States, but are glad they live where they do, in Slough, Berkshire, a residential and industrial center 20 miles (30 kilometers) west of central London. They do not run heads here. They are simply two halves of another interracial marriage — he a white man from southeastern England, she a black woman of Jamaican-African descent — in a country where British-born blacks may be five times more likely to marry whites than in the United States.

Race and ethnic heritage are important concerns for Mr. and Mrs. Swanson, but hardly the only ones. They are raising children, pursuing careers in aircraft maintenance and local government, spending weekends on errands and outings to fruit orchards or fishing ponds. Mr. Swanson sums it up this way: "We're a married couple trying to get on with life."

Across Britain, acceptance of marriages like theirs varies by town and social station. Being middle-class in a generally tranquil community of many colors like Slough helps. But by many accounts, Britain at large is paying less and less attention to color differences between married couples as time goes on. "Society has grown up a bit," Mrs. Swanson said.

Living in Color
How nations manage diversity
Last of three articles

riages like theirs will "smooth out" over time the racial tensions that remain as Britain has emerged as a multicultural society. "It will take a few generations," says Liz Davis, a teaching assistant at a Slough school that has many interracial children. But eventually, she predicts, "the two groups will merge."

Other people hope that the blending will not be total. They worry about the possible eradication of some ethnic traditions if the ways of mainstream white society prove the more resilient. The British experience demonstrates that the effect of laws and social programs and electoral politics on multiethnic societies can take a back seat to that most fundamental of human actions, falling in love and starting a family.

The British Empire is dead as a political unit, but it lives on in human form in the cities of Britain, which have large populations that originated in virtually every place the British flag flew — India, Ireland, the Caribbean islands,



Ken Barnett and his wife, Tina, pictured with their two children, say they have never encountered overt hostility to their marriage. But they also have different views of the role race plays in everyday life.

Hong Kong, Egypt, South Africa, Nigeria. The younger members of these groups tend to be British-born, the elder ones often are immigrants. Many of the inequalities of wealth and power that defined the empire continue, at times spawning inner-city despair, courtroom battles and outbreaks of violence in the streets. But when it comes to the choices that go to form new families, it is often a different story.

A survey published last year found that about half the black men of Caribbean descent born in Britain who were married or living as married had paired with a white. About a third of black women of Caribbean descent born in Britain had done so. The rates were lower among British-born people whose forebears had come from India, but they were still substantial — about 20 percent for men and 10 percent for women, according to the study by the Policy Studies Institute, a British research organization.

ANECDOTAL evidence confirms the numbers. Interracial couples walk hand-in-hand at London street fairs, with no apparent concern for how people around them will react. In television comedies and dramas, romance routinely cuts across racial lines. Last summer, with globe-grinding publicity, inter-ethnic dating came to the British royal family, the ultimate seat of

tradition and racial purity, as Diana took up with Egyptian-born Dodi Fayed.

Finding analogous numbers for the United States is difficult, but those that are available suggest much lower rates of interracial marriage. For instance, two scholars who specialize in population studies, Douglas Besharov of the American Enterprise Institute for Public Policy Research and Timothy Sullivan of Southern Illinois University, concluded in a study that in 1993 about 8.9 percent of black men who married in the United States married whites, while 3.9 percent of black brides married whites.

Despite its long reputation as a racial and cultural monolith, British society is, in fact, the product of thousands of years of intermarriage between locals and newcomers.

In successive waves from the European continent came Celts, Romans, Saxons, Danes, Normans. No doubt some North Africans came in Roman times.

In Britain, "there's a history of seeing people of different shades for a long, long time," said Herman Ousley, chairman of the Commission for Racial Equality, an independent agency that the government funds to oversee racial issues in Britain.

The final years of empire brought a new influx from the colonies. After World War II, Britain was struggling to rebuild its economy and found

that it could solve a severe labor shortage by opening its doors. People came by the shipload. Under a 1948 law, they arrived with full legal rights as citizens — in theory, at least.

In the postwar period, British cities became studded with mosques and Hindu temples. The newcomers brought music and food and dress that began to transform Anglo-Saxon culture. Parts of London became home base for different ethnic communities — Bangladeshis in Tower Hamlets, Caribbeans in Brixton, for instance.

Britain is no stranger to incidents of racial violence. In Tower Hamlets and elsewhere, for example, Bangladeshis have been beaten up by skinhead gangs in attacks called "Paki-bashing." Yet, on the whole, racial tensions on the streets of Britain seem low to American visitors.

Tina Fry and Ken Barnett are another of the Slough's mixed couples, together for 14 years. She is white, a secretary for a real estate agent; he is black, a regional supervisor at a company that replaces automobile glass, born in Britain to immigrants from Jamaica. They have two children.

Mrs. Barnett cannot remember ever encountering overt hostility on the street stemming from her marriage. "Black and white together — people are used to it now," she said.

BUT when they travel to other parts of Britain where the sight is not so common, they can touch off double-takes and social fumbling. Once, they went to a wedding reception for one of Mrs. Barnett's relatives in a solidly white community. Her husband Ken was the only black person there. Someone saw him and announced to the group: "Let's welcome our colonial friend." There followed questions of bow long he had been in Britain; no one could imagine he might belong here.

The Barnetts also have different views of the role race plays in everyday life. Once when Mr. Barnett returned from a vacation to find he had been passed over for a promotion at his company, he concluded that there were racial reasons to explain why a white coworker got the job. Mrs. Barnett, however, thought it was more related to what she calls "attitude" in her husband — an inflexibility and reluctance to listen to other points of view.

Mr. Barnett has been to Jamaica once. Although he felt an emotional affinity there, Britain is his home. As for whatever differences he has with his wife, they are no big deal. "Our relationship is based on love and life," he said. About 24 percent of whites interviewed in the Policy Studies Institute survey said they would mind if a close relative married someone from a minority group. The result was roughly the same among black respondents; among people from South Asia, however, the figure is much higher — 51 percent for Pakistanis; 39 percent for Bangladeshis.

Religion appears to be one reason for the differences in the figures. People from the Caribbean are for the most part Christians. The South Asians are generally Hindus or Muslims or Sikhs, and in general, said Mr. Ousley, religion is more of a "dominant feature" in their lives.

Cargo Firm Shifts Back to Hong Kong's Old Airport

Reuter

HONG KONG — Computer bugs and numerous other problems crippled Hong Kong's new airport for a second day Tuesday, and the main cargo operator said it was sending goods by truck back to the old airport for handling.

With the computer bugs defying engineers, passengers faced long flight and baggage delays at the airport, which opened to commercial traffic Monday. Hong Kong Air Cargo Terminals Ltd., the main cargo handler, said it was moving most of its operation back to Kai Tak Airport, 30 kilometers (19 miles) from the new facility, Hong Kong International Airport.

It said it would return to the new airport when the computer problems were solved. Hundreds of trucks have been stalled at the new airport because the cargo handler's new computer system was deleting shipment records.

Aircraft are no longer allowed to land at the old airport, which switched off its lights for the last time early Monday.

The cargo handler has a \$1 billion state-of-the-art terminal at Hong Kong's new airport.

The high-tech terminal was not the only one at the airport that was besieged with problems.

Computer glitches and problems with electricity and water supplies also plagued the main passenger terminals. Information boards were blank and some aircraft gate assignments were mixed up, causing long delays for some departures and arrivals.

Hundreds of taxis were backed up waiting for passengers, but their fares of 300 Hong Kong dollars (\$39) to central Hong Kong, double the fare from the old airport, encouraged passengers to use the new rapid transit system instead, which costs 100 dollars.

The chief executive officer of the new airport, Henry Townsend, did not say at a press conference how much the problems were costing.

But he did say the airport authority had not gone over its budget. Frustrated travelers, some of whom had been stranded for more than 24 hours, quarreled with staff members as toddlers wailed and old ladies sat slumped on luggage carts.

"We couldn't get on the plane to Taipei yesterday and we missed the connecting flight to New York," said James Chan, from the mainland.

"The staff gave us no reason," he added. "We were only sent to a hotel at 9 P.M. last night."

Mexican Electorate Starts to Fracture

By John Ward Anderson
Washington Post Staff Writer

MEXICO CITY — Three hard-fought governors' races reaffirm that Mexico is becoming a more open, multiparty state after seven decades of continuous rule by the Institutional Revolutionary Party at almost every level of government.

The ruling party suffered a

sharp blow in the election results announced Monday, losing the governor's race in the northern state of Zacatecas, long considered one of the party's most impervious strongholds. But it staged a startling comeback in another important northern state, Chihuahua.

With 93 percent of the vote counted in Zacatecas, Ricardo

ist Democratic Revolutionary Party, or PRD, held a solid lead over the ruling party candidate, Jose Marco Antonio Olvera. Other candidates trailed far behind in returns from the voting Sunday.

Mr. Monreal, 37, was a highly regarded member of the Institutional Revolutionary Party, or PRI, until earlier this year, when party power brokers handpicked Mr. Olvera as their nominee for governor. Claiming he was cheated out of the nomination by backroom wheeling and dealing, Mr. Monreal resigned from the PRI and became the consensus candidate of the leftist PRD and various smaller parties.

In another closely watched race, the PRI reclaimed the governorship of Chihuahua after losing it six years ago to the center-right National Action Party, or PAN. It is the first time the PRI has captured a governorship after losing it to the opposition.

In returns from the third gubernatorial ballot Sunday, in the northern state of Durango, the PRI was leading by a large margin. All three states also held elections for legis-

lative assemblies and local mayors' offices, but the returns were not yet conclusive.

The governors' races illustrate the three-way split in the electorate among the dominant parties: the long-ruling PRI, the leftist PRD and the rightist PAN. No party won more than 50 percent of the vote in any of the contests.

The elections were the first of 10 gubernatorial ballots to be held in Mexico this year. Analysts said the cumulative results would provide clues to voter sentiment in advance of the presidential election in 2000, in which opposition candidates believe they have a strong chance of winning the country's highest office.

Although losing the Zacatecas governor's race was a major psychological setback for the PRI, recapturing the governorship in Chihuahua should give the ruling party a major boost.

The PAN candidate, Ramon Galindo Noriega, former mayor of Ciudad Juarez whose fortunes were hurt by rampant crime and drug trafficking in the border city, conceded defeat to Patricia Martinez Garcia of the PRI.

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Malaysian Airport's Computers Up

KUALA LUMPUR (AP) — Computer problems that hampered the opening of Kuala Lumpur's new airport have been solved, and officials now are busy reuniting travelers with their misplaced luggage.

The \$2.25 billion airport opened June 29 and immediately was beset by computer glitches that forced some passengers to wait up to four hours for their bags, while others had to remain aboard their planes for hours before disembarking.

A U.S.-Paris Air-Rail Ticket Deal

PARIS (APF) — The French state-owned rail network, SNCF, and United Airlines said Tuesday they had agreed to sell a joint rail-air ticket taking passengers from the United States to

Paris and on to Lyon. The ticket will be available July 18. Buyers can claim at least 500 frequent flier miles for each round-trip trip between Paris and Lyon by high-speed train.

The Mostar airport in Bosnia-Herzegovina was opened Tuesday for civilian flights. It had been closed since the outbreak of the Bosnian war 1992, except for NATO flights. It will now function as Bosnia's third civilian airport, along with Sarajevo and Banja Luka.

One Spaniard was gored and another was injured when trampled on by rushing crowds in the opening bull run of the San Fermin festival in Pamplona, Spain, on Tuesday. (AP)

A high-speed ferry from Staten Island to midtown Manhattan will be canceled Aug. 1 for lack of passengers. (NYT)

TRAVEL UPDATE

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	20/26	18/24	18/24	20/26	18/24	18/24	20/26	18/24	18/24
Amsterdam	17/22	15/21	15/21	17/22	15/21	15/21	17/22	15/21	15/21
Athens	28/31	26/27	26/27	28/31	26/27	26/27	28/31	26/27	26/27
Bangkok	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Beijing	28/31	26/27	26/27	28/31	26/27	26/27	28/31	26/27	26/27
Bombay	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Buenos Aires	28/31	26/27	26/27	28/31	26/27	26/27	28/31	26/27	26/27
Calcutta	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Chennai	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Colombo	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Dhaka	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Hong Kong	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Kuala Lumpur	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
London	17/22	15/21	15/21	17/22	15/21	15/21	17/22	15/21	15/21
Los Angeles	28/31	26/27	26/27	28/31	26/27	26/27	28/31	26/27	26/27
Manila	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Medan	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Mumbai	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Nairobi	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Paris	17/22	15/21	15/21	17/22	15/21	15/21	17/22	15/21	15/21
Perth	28/31	26/27	26/27	28/31	26/27	26/27	28/31	26/27	26/27
Rangoon	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Seoul	28/31	26/27	26/27	28/31	26/27	26/27	28/31	26/27	26/27
Singapore	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Taipei	32/37	30/31	30/31	32/37	30/31	30/31	32/37	30/31	30/31
Tokyo	28/31	26/27	26/27	28/31	26/27	26/27	28/31	26/27	26/27
Yokohama	28/31	26/27	26/27	28/31	26/27	26/27	28/31	26/27	26/27

Legend: s-sunny, p-partly cloudy, c-cloudy, sh-showers, h-heavy showers, r-rain, dr-dry, m-mist, f-fog, b-breeze, v-vivid, w-wind, l-light, m-moderate, h-heavy, v-vivid.

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THE AMERICAS

Theft of Voice Mail: Troubling Threat to Corporate Security

By Devon Spurgeon
Washington Post Service

CINCINNATI — What began as an exposé of Chiquita Brands International Inc. by a hometown newspaper has turned into a cautionary tale for corporate America on how a modern innovation — voice mail — can be stolen and misused just as easily as corporate documents and trade secrets.

On a Sunday morning in early May, Chiquita executives awoke to find what were alleged to be their own voice mail messages reprinted in the Cincinnati Enquirer.

In an 18-page pullout section headlined "Chiquita's Secrets Revealed," the newspaper said it had obtained what it contended were internal voice mail messages from a company executive.

The messages were used to bolster allegations — denied by the company — that Chiquita secretly controls other banana companies, sprays dangerous pesticides on workers and villagers in Central America and has attempted to bribe Colombian officials — in addition to allegations that its fruit-transporting ships have smuggled cocaine into Europe.

Chiquita's president and chief oper-

ating officer, Steven Warshaw, said: "Our business and my personal privacy were violated in the most extreme way. I mean my children leave me messages. I don't want the world to know their grades."

With 85 percent to 90 percent of all corporations using voice mail and 40 percent to 45 percent of all households employing the system, according to estimates, the Chiquita case raises troubling and potentially costly questions about the security of any voice mail system.

"Voice mail can be a chink in any corporation's security armor," said Beth Givens, director of the Privacy

Rights Clearinghouse, a nonprofit consumer information and advocacy program based in San Diego. "Every corporation should have a policy that prescribes what can and cannot be communicated by voice mail. Voice mail must be a part of a corporation's security plan."

Chiquita alleges that its voice mail system was cracked open by an Enquirer reporter, Michael Gallagher, who was later fired by the newspaper over the incident.

More than 2,000 voice mail messages, most of them from the legal department, were recorded. The company

says some of the information obtained from the voice mail and printed in the articles should have been protected under attorney-client privilege.

The voice mail also anonymously surfaced at the Securities and Exchange Commission, which would not comment on whether it was investigating information about company practices.

Chiquita has filed a civil lawsuit against Mr. Gallagher, 40, alleging among other things defamation, trespassing and violations of state and federal wiretapping laws. He faces a criminal probe by the FBI and a local, court-appointed special prosecutor.

Chiquita officials allege that Mr. Gallagher would submit questions to company attorneys and then listen to their voice mail as they discussed drafting answers to his questions. Mr. Gallagher declined, through his lawyer, to comment.

The Enquirer, owned by Gannett Co., agreed to publish a front-page apology three days in a row and pay Chiquita more than \$10 million.

Other cases of voice mail hacking have occurred on a much smaller scale, usually centering on a former employee's attempts to steal trade secrets.

Chiquita officials refused to speculate on how the Enquirer reporter penetrated its system, which logs 12,500 messages each week.

Ed Shuck, owner of Visual Traffic, a consulting firm that advises corporations on how to protect themselves from telephone fraud, said, "The average hacker gets in because the people that have the voice mail system never change the default password."

He said corporations should require users to change their password every 30 days, deleting all voice mailboxes not assigned and making sure the voice mail access number does not have the main corporate prefix. Experts also say security codes should have six digits.

Chiquita said officials discovered the theft because its voice mail system records the phone numbers of incoming calls and because of tracks left as the hacker maneuvered around the system.

POLITICAL NOTES

Maryland Probes Tappings by Tripp

WASHINGTON — As Linda Tripp returned for a third day of testimony in the Monica Lewinsky investigation, the Maryland state's attorney opened a grand jury investigation Tuesday into whether Mrs. Tripp's secret tape recordings of the former White House intern violated state law.

Stephen Montanarelli, the Maryland state prosecutor, said a grand jury would look into whether Mrs. Tripp violated the state's wiretapping law by making the tape recordings without Mrs. Lewinsky's knowledge or permission.

Mr. Montanarelli placed the matter before a grand jury in Howard County, Maryland, where Mrs. Tripp lives and where, he said, "the alleged tape recordings took place."

Mr. Montanarelli said there was no reason to continue to defer to the Whitewater investigation by the independent prosecutor, Kenneth Starr, since Mrs. Tripp has now testified to the federal grand jury assisting Mr. Starr's investigation.

Mrs. Tripp spent last Tuesday and Thursday testifying in grand jury sessions and returned again Tuesday. The inquiry was triggered by Mrs. Tripp's 30 hours of secretly recorded phone calls with Ms. Lewinsky in which she is said to have confided a sexual relationship with President Bill Clinton. (AP)

Senator Criticizes Clinton on Taiwan

WASHINGTON — The Senate majority leader, Trent Lott, said Tuesday that President Bill Clinton's comments on Taiwan during his China trip were counterproductive and that Congress may have to "repair the damage that has been done."

Mr. Lott, Republican of Mississippi, who held off criticizing Mr. Clinton while he was in China, said the Senate would act this month on a package of bills intended to penalize China and would press ahead with its investigation into technology transfers and campaign contributions.

He gave Mr. Clinton good marks for his comments on human rights while in China. He also suggested that Mr. Clinton's decision to extend most-favored-nation trade benefits to China for another year would be upheld by Congress.

But Mr. Lott said the president was not forceful enough with Chinese leaders in other areas, including nuclear proliferation and the issue of technology transfers.

"He was counterproductive on what he said on Taiwan," the senator said, adding his voice to that of other conservatives who have suggested that Mr. Clinton's comments altered U.S. commitments.

The key issue is Mr. Clinton's statement in Shanghai last week laying out what is called the U.S.-China "three no's" policy: no support for an independent Taiwan, no recognition of a separate Taiwanese government, no backing of Taiwan's entry into international organizations.

Although other U.S. officials have made identical statements in the past, Mr. Clinton's public reiteration of the three no's was the first by a U.S. president. Some leaders in Taiwan called the remarks a concession to Mr. Clinton's Chinese hosts. (AP)

Quote/Unquote

President Clinton, challenging Congress to advance his stalled legislative agenda in areas such as health care, education and Social Security retirement benefits: "Congress has a choice to make in writing this chapter of our history. It can choose partisanship or it can choose progress. Congress must decide." (WP)

CNN Staffers Want Bosses Out Over Flawed Story

By Felicity Barringer
New York Times Service

NEW YORK — Hundreds of angry Cable News Network staff members in the network's Atlanta headquarters, with staffers also calling in from CNN's bureaus around the world, took part in two discussions on Monday, during which some employees demanded to know why the network's top managers retained their jobs after the retraction and apology last week over a broadcast report that the U.S. military had used nerve gas on a 1970 mission in Laos.

Tom Johnson, chairman of CNN News Group, told the group that his offer of resignation had twice been rejected by Gerald Levin, the chairman of Time Warner, the network's corporate parent, and also by Ted Turner, the founder of CNN who is now vice chairman of Time Warner.

Some producers and correspondents asked why Richard Kaplan, chairman of CNN/USA, and Peter Arnett, the correspondent who narrated the report, had not resigned voluntarily or under compulsion.

In an interview Monday night, a spokesman for the network, who insisted on anonymity, said: "Peter Arnett's role as a correspondent in the Operation Tailwind coverage is being re-evaluated based on new information provided to Tom Johnson over the weekend and on Monday."

The military mission examined by the report was

called Operation Tailwind. The network's top executives had believed that Mr. Arnett conducted just one interview for the program, the spokesman said. But they have since learned that he conducted two other interviews, including one with a pilot on the mission, who said his aircraft had been loaded with tear gas, not nerve gas.

While Mr. Arnett said in recent interviews that he was a late addition to the reporting team and had basically just read a script, he said in an interview on Monday night, in response to the spokesman's comment, that it was widely known he had conducted three interviews, not one, including the one with the pilot.

During the second of the two meetings on Monday, Mr. Arnett telephoned from Oregon, where he was on vacation.

He spoke for five minutes, saying he had been filing numerous reports from Iraq while the Operation Tailwind story was being prepared, and that by the time he got involved the program's basic thrust had already been established by others at CNN.

Responding to the accusation that he had sullied the network's reputation for honesty, Mr. Arnett retorted that his work over the last 17 years had helped establish the reputation based on news coverage from the sites.

An article on the same incident appeared in Time magazine under the bylines of April Oliver, who was

the main producer of the CNN report, and Mr. Arnett. Like CNN, its corporate cousin in Time Warner, Time retracted the report and apologized.

Mr. Johnson reprimanded Mr. Arnett on Thursday. Ms. Oliver and her senior producer, Jack Smith, were dismissed by the network Friday when they refused to resign.

Pamela Hill, the senior executive producer of "Newsstand: CNN & Time," the program that broadcast the report June 7, resigned Thursday after accepting the conclusions of an outside investigation that the central charges in the report had not been substantiated.

The meetings Monday involved "a very vigorous discussion," according to CNN's Washington bureau chief, Frank Sesno.

"There were several bold exchanges that raised the question of what this means in the most profound way to CNN and who is responsible for it," he said.

Three people who took part in the meeting said CNN journalists brought up some of the news decisions over which Mr. Kaplan had presided at ABC News before joining CNN last summer — including an investigative report of food-handling practices at the Food Lion supermarket chain.

That report, in which ABC News employees lied to get jobs at a Food Lion store, brought the network a conviction for fraud in North Carolina. The verdict is being appealed.

Joy Amid Florida Ashes
Most Residents Are Relieved to Discover
That Their Homes Withstood the FiresBy Sue Anne Pressley
Washington Post Service

BUNNELL, Florida — As she and her family sped north on U.S. 1 to reclaim their house in the fire-blackened woods of northeastern Florida, Kathy Seib used red lipstick to scrawl a jubilant message on the back window of their car: "Go! Home!"

Ms. Seib's delight was matched by that of thousands of other Flagler County residents. Authorities on Monday lifted a weekend-long evacuation order made necessary by the huge wildfires that had threatened Friday to consume this largely rural sweep of bone-dry flatlands near Florida's Atlantic Coast beaches.

Ninety percent of the county's 45,000 residents obeyed the order, not at all sure when they left whether they would return to anything but ruins and ash.

But firefighters saved 97 percent of the homes, all but about 45, local officials said. And that was only one of the heartening signs indicating that firefighters, finally might be gaining the upper hand in their seven-week battle against the worst and most enduring outbreak of wildfires in Florida's history.

Interstate 95, closed Thursday along a 125-mile (200-kilometer) span from Jacksonville to Cocoa Beach because of thick, blinding smoke, was reopened to heavy north-south traffic. All roads leading into Flagler County were opened as well. For the first time since the siege began in this corner of the state two weeks ago, residents felt they could almost begin to put their lives back in order.

Even so, 58 fires were still burning, covering 16,000 acres (6,500 hectares) in the hard-hit central and northeastern sections of the state, according to emergency management officials. All 67 of

Florida's counties have experienced some fire problems since Memorial Day weekend, losing a total of 475,000 acres and causing some residents of Volusia, Brevard and Orange counties — along with all of Flagler's residents — to be ordered out of their homes for periods ranging from several hours to several days.

Unless heavy rains fall on the state soon to alleviate the severe drought conditions that have nurtured the flames, the firefighters' work will have to continue. Only scattered showers have fallen in recent days. A tropical storm brewed in the Caribbean but forecasters provided little hope it would bring heavy rains to the Florida mainland anytime soon.

"It has to be stressed to everyone the importance of safety," the Flagler County sheriff, Robert McCarthy, warned as he announced the lifting of the evacuation order. A dusk-to-dawn curfew remained in effect. "Just because you came home doesn't mean there isn't any fire danger anymore," Mr. McCarthy said. "There is a definite fire danger out there. Flare-ups are possible all the time."

Long stretches of woodland along U.S. 1 and State Road 100 in Flagler County were charred. Some spots still smoked, right next to a house or small store untouched and surrounded by green grass. Here, and in nearby Volusia, Brevard and Orange counties, the center recently of the firestorms, hand-lettered signs began to appear on fences and lawns.

Said one: "Thank you, firefighters, from the bottom of our hearts."

Most residents returned with no more complaints than a few fretful, sleepless nights; others returned to nothing. There were no signs of life at one unfortunate site in the Indian Trails section of Palm Coast, just melted appliances and a



But a woman in Palm Coast was not so fortunate. She found only a dishwasher where her house once stood.

couple of cars that looked as if they had been bombed.

The Seibs' story was more typical. Kathy Seib, her husband, Jeffrey, daughter Michelle, and Goliath, their Yorkshire terrier, had left their Palm Coast home in a panic, ending up at the home of Kathy Seib's aunt and uncle in the haven of Ponce Inlet. Thanks to a friend's report, they had an idea they would find their wood-frame, three-bedroom home in a densely wooded area of Indian Trails still standing. But

they were shocked to learn how close the call had been.

Fire had lapped at the grass to within 10 feet (3 meters) of the house and a blackened tree lay draped across their fence.

"We are so happy, we're hyper," said Jeffrey Seib, 47, a research scientist at the University of Florida. "We were surrounded by so much fuel," he continued, indicating what was once the woods. "It was so dry, when you stepped on the pine cones, they'd snap

like cellophane, like eggs."

Along with their neighbors, the Seibs could not praise enough the efforts of the firefighters and other emergency workers, and said they hoped there would be a parade and celebration to honor them once this is over. Kathy Seib still had a few worries, however — about possible sparks in the attic and about the fate of wildlife that had shared the woods with them. "I hope my bunny rabbits are O.K.," she said, "and the deer."

U.S. Let General in Sex Case Retire Penalty-Free

By Steven Lee Myers
New York Times Service

WASHINGTON — A former U.S. Army deputy inspector-general engaged in a pattern of "inappropriate behavior" or adulterous affairs with the wives of four officers under his command, according to a Pentagon report.

The officer, Major General David Hale, also "sanctioned the misuse of government resources" to pay for trans-Atlantic travel by one of the women and then lied "in an effort to deceive others concerning his conduct," the report concluded.

The report, written by Eleanor Hill, the Defense Department's inspector-general, significantly expands the controversy over General Hale and the

accusations against him.

The general, 53, retired in February with the army's approval, even though a complaint accusing him of coercing sex had been filed by a subordinate's wife while he was deputy commander for NATO ground forces in Southeastern Europe.

In March, Secretary of Defense William Cohen ordered the inspector-general's office to review the

accusations and handling of the case, including a decision to allow General Hale to retire quietly.

Late last week, the army announced that it had begun a criminal investigation based on the inspector-general's findings. But the extent of the accusations was not clear until Monday.

A copy of the report, with the names blacked out to conceal the identity of the women involved and

other witnesses, was provided to The New York Times by congressional staff members critical of the army's handling of the case.

In recent years, the army and other branches of the military have been criticized for instances of sexual harassment and misconduct that were ignored or investigated slowly.

The army's response to the accusations against General Hale has prompted charges of a double standard, giving senior officers more leeway than junior officers or enlisted personnel.

Last year, the army vigorously prosecuted its senior enlisted soldier, Sergeant Major Gene McKinney, on 18 counts of sexual misconduct involving six women. He was convicted on one charge — obstruction of justice.

Away From Politics

• Boston violated a white supremacist group's right to freedom of expression when it refused to grant a permit for an anti-homosexual parade, a judge ruled. U.S. District Judge George O'Toole awarded \$700 in compensatory damages to the Nationalist Movement, based in Mississippi. (AP)

• The Federal Aviation Administration is trying to replace its aged nationwide network of radio beacons and other navigation aids with a satellite-based system that is more accurate and less expensive to maintain. But some aviation experts say the new system will

not be reliable, and they want the government to maintain the new and old ones. (NYT)

• A veteran free-lance reporter for National Public Radio, Larry Matthews, has pleaded guilty in federal court to violating child pornography laws, saying he was trafficking in lewd photos of minors on the Internet as part of his First Amendment right to research an article on the subject. (NYT)

• A man who admitted beating five cats to death was sentenced to 12 years in prison in Janesville, Wisconsin. (WP)

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THE WORLD'S DAILY NEWSPAPER

EUROPE

A Dark Mood Descends on Ulster

Protestant Anger Over March Ban Erupts Into Nightly Violence

By James F. Clarity
New York Times Service

BELFAST — During the daylight hours, life seems unaffected in the towns of this predominantly Protestant British province, by the crisis over disputed Protestant Orange Order parades through Roman Catholic areas.

But at nightfall, the towns of Northern Ireland, especially Belfast, become urban war zones. Protestants vent their spleen through mayhem over a Protestant parade that was blocked by the police and the British Army on Sunday at Portadown, 35 miles (55 kilometers) west of Belfast.

There are nightly battles with police that have raised fears that the violence will damage or destroy the peace settlement that is supposed to end sectarian killing between Catholics and Protestants. Government and security officials fear that the violence will continue for at least several more days.

Prime Minister Tony Blair of Britain, said Tuesday in London that he would meet Thursday with Orange Order leaders to try to work out a compromise. Britain, in a psychological warfare move designed to ease popular anxiety, announced that it would send 800 army troops here by the end of the week. There are already 17,000 troops in the province.

But Tuesday afternoon in Belfast, in a period of unusually sunny weather, people in usual numbers walked, shopped and enjoyed \$3 cups of Vienna Cappuccino in cafes like Roscoff on Fountain Street.

Shops and department stores had plenty of customers. Buses crowded the streets.

Politicians, including Mr. Blair, were

on television urging people to stay calm, saying there had been some progress toward ending the violence that began three days ago, when the government prevented a Protestant march from passing through a Catholic area, Drumcree, in Portadown.

But at nightfall, for the past three nights, Belfast and several other towns have come alive with sectarian violence and some random vandalism.

Gangs of Protestants throw blazing gasoline bombs at police of the Royal Ulster Constabulary, who respond by firing plastic bullets — long, hard cylindrical missiles that are rarely deadly. The demonstrators, mostly young men, move to the edge of their own neighborhoods to stone police, hijack and burn cars, block roads with burning barricades. Bus and train services are canceled or interrupted.

Police reported Tuesday afternoon that there had been 330 gasoline bomb incidents in the past four days. Police and politicians, both Catholic and Protestant, say the protesters are mostly thugs, not sincerely patriotic Orangemen.

Since Saturday, the eve of the prevention of the Orange Parade, police reported, the demonstrators have attacked police 246 times, mostly in Belfast, and that 63 of them have been arrested. There have been 101 vehicles hijacked, and 213 burned. Damage has been done to 139 private homes and 71 commercial properties.

So far there have been no major clashes between Protestants and Catholics. But television stations showed repeatedly a fight between a Protestant and a Catholic, in which one man swung a long piece of wood at the other, who ducked and the two rolled in the street

like alligator wrestlers before police separated them. For the distant viewer, it was impossible to tell which brawler was of which religion.

Mr. Blair said in London on Tuesday morning, "I think it's important in a situation like this, when we've come so far in Northern Ireland, we've got over the hurdle of the referendum, we've got over the hurdle of an assembly. We now have the possibility of a tremendous future in Northern Ireland. So if we can talk and work with people too, then I hope the goodwill exists to change."

David Trimble, an Orangeman as well as leader of the Ulster Unionist Party and the recently chosen First Minister of the new Northern Ireland assembly, said slight progress had been made toward a compromise. "We cannot afford this situation to continue indefinitely," he said. "The longer the present situation continues, the greater the dangers."

People watch the mayhem and the politicians on television, but random interviews in central Belfast indicated that there was at least as much interest in less violent events, like the World Cup soccer semifinal matches in France.

"Crisis deepens," said a sign in front of newsstand advertising the front page of the Belfast Telegraph. But at sidewalk tables outside the Roscoff cafe, people enjoyed the lazy sunlight, drank Espresso and cheddar and scallion soup.

At the Northern Ireland tourist office on North Street, a woman at the information counter said there had been no noticeable drop off in tourism this week. A few people a day telephone to ask if it is safe to visit the province. "We tell them the whole of Northern Ireland is not in uprising. Life is continuing in Northern Ireland."



Loyalists standing in front of RUC police in Portadown on Tuesday, as the Drumcree crisis enters its third day.

BRIEFLY

VW to Compensate Its 'Slave Laborers'

FRANKFURT — Volkswagen AG, Europe's largest carmaker, said Tuesday it planned to set up a fund for people forced by the Nazis to work for the company during World War II.

VW said its board of management decided to establish a private fund to offer "humanitarian help to individual victims who were forced to work in the years 1944-45" at the company's Wolfsburg headquarters.

VW said last month that compensation claims by former slave laborers should be directed to the German government. The company cited "historic and moral duties." (Reuters)

One More Crew Set For Spaceship Mir

MOSCOW — The last crew on the space station Mir will probably head up to the aged research facility in February and remain aboard until the middle of 1999, Russian space officials said Tuesday.

Space officials had wanted to keep a crew on the Mir until the end of 1999.

Slovaks Starting Up Disputed A-Plant

BRATISLAVA — Operating personnel at a nuclear plant considered unsafe by neighboring Austria increased its electricity output Tuesday and said the plant would be fully operational by the end of August.

The second of the Mochovce plant's two generators was turned on after the first generator was put into service on the weekend.

Austria is worried that a Chernobyl-type disaster would affect hundreds of thousands of its citizens. (AP)

EU Taking Ireland To Court Over Water

BRUSSELS — The European Union's executive agency said Tuesday it would take Ireland to court for failing to integrate EU norms on water pollution into national legislation.

The agency, the European Commission, also warned Belgium, Germany, Luxembourg, Austria and the Netherlands it would take them before the European Court of Justice if they failed to adopt EU standards on water pollution.

Ireland will be sued for not adopting EU rules on the protection of water against pollution caused by substances such as mineral oils, hydrocarbons and various heavy metals such as phosphorus and nitrates. (AP)

Russia Accuses Envoy Of Export Violation

MOSCOW — Russia protested Tuesday over what it said was an attempt by an American diplomat to export valuables from Russia without proper permission from the appropriate authorities.

"Such actions by American citizens are impermissible," a Foreign Ministry spokesman, Vladimir Rakhmanin, declared, according to Russian news agencies. (Reuters)

UN War Crimes Role Is Said to Cover Kosovo

Compiled by Our Staff From Dispatches

THE HAGUE — The United Nations' chief war crimes prosecutor for Yugoslavia said Tuesday it was her judgment that there was an armed conflict in the Serbian province of Kosovo, clearing the way for war crimes charges.

In a statement, Louise Arbour said she had passed her views to the six-nation Contact Group dealing with the Balkans conflict.

"The prosecutor believes that the nature and scale of the fighting indicate that an armed conflict, within the meaning of international law, exists in Kosovo," the statement said. "As a consequence, she intends to bring

charges for crimes against humanity or war crimes, if evidence of such crimes is established."

The group, made up of the United States, Russia, France, Britain, Germany and Italy, is to meet Wednesday. The prosecutor said earlier that she had jurisdiction to investigate violations of humanitarian law in Kosovo, where ethnic Albanians are fighting for independence from Yugoslavia.

The tribunal statement noted that the prosecutor's jurisdiction took in both sides of the fighting and those in positions of "superior responsibility" who failed to take measures to prevent subordinates from committing crimes. Serbian sources in Kosovo, mean-

while, reported that Serbs had forced ethnic Albanian insurgents to retreat from Lodja, a village near Pec.

Phone lines have been cut, and the main road is sealed off by the Serbian police, so there were few reliable details on the situation. (Reuters, AP)

Massive Peace Force Needed

About 50,000 troops would be required to police a cease-fire in Kosovo according to NATO military planners, Agence France-Presse reported from Brussels on Tuesday, quoting diplomats.

The estimate is based on a complete cessation of hostilities and the deployment of an international peace force.

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INTERNATIONAL

Palestinians Gain Enhanced Status at the UN

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — The General Assembly voted overwhelmingly on Tuesday to give the Palestinian people a larger role in the United Nations and a voice in many of its peripheral activities.

The Palestinians, already members of several groups of developing nations, hailed the victory as a first step toward full United Nations membership.

Israel's representative, Dore Gold, denounced the resolution's references to the Palestinian Authority in Gaza and the West Bank as a "transparent effort" by the Palestinians to influence talks over the final status of disputed territories.

The vote — 124 to 4, with 10 abstentions and 47 countries not voting — overwhelmed the strong opposition of the United States. Bill Richardson, the

American representative, called the move "the wrong resolution at the wrong time." He said it would set a precedent for other observers or non-members of the organization.

"If this resolution passes, it will undermine our efforts to get the peace process back on track and hurt everyone's interests, including the interests of those it is most intended to help," Mr. Richardson argued. "Exchanging momentum toward real progress on the ground for symbolic progress in this chamber does not strike us as a good bargain."

After making some progress earlier in this decade in reducing the isolation of Israel at the United Nations, the United States has been increasingly sidelined more recently on Middle Eastern issues, which it tries to keep out of the United Nations as much as possible. On Tuesday, only Israel, the Marshall Islands and

Microesia voted with Washington.

The European Union, Canada and Russia were among those voting for the resolution, which was first introduced in December, then deferred for further study.

Ernst Sucharipa, the representative of Austria, which now holds the presidency of the European Union, said that the Europeans had concluded that the resolution would not set new legal precedents for the organization.

Europe supported the move, he said, in recognition of the "practical difficulties" the Palestinians were having in their work as observers at the United Nations.

The resolution in effect creates a new "super-observer" status for the Palestinians — or Palestine, as the delegation has been known officially since 1988. Palestinians will now have the right to participate in General Assembly debate and reply to other speeches, the right to co-sponsor resolutions on Middle Eastern issues and to take part in a range of United Nations conferences and meetings.

The Palestinians will not have the right to vote in the General Assembly, however. And nothing in Tuesday's actions affects the work of the Security Council, which already allows the Palestinians to speak in formal sessions when the interests of the Palestinian people are involved.

The Palestinians, having finally won this round, intend to press for full Gen-

eral Assembly membership, their delegation leader, Nasser Kidwa, said Tuesday.

"A small victory was achieved for Palestine today, and we thank you for that," he said in a speech after the vote.

"However, we do want to say that it is our hope that our reliance on this resolution passed today will not last for a long time, as we hope that the United Nations will accept Palestine as a member state in the near future."

Mr. Kidwa said that he hoped that would happen in the coming General Assembly session, beginning in September. "That shall be the big victory," he said.

The resolution Tuesday was sponsored by a group of Arab nations, joined by Afghanistan, Bangladesh, Cuba, Malaysia, Vietnam and several African nations.

At the American Jewish Committee, Arthur S. Berger, the spokesman, said the effort by the Arab and Third World nations was a step back for the United Nations. "Unfortunately this reminds a lot of people of the way the United Nations General Assembly used to be, when an absolute majority of members would vote for anything that was anti-Israeli," he said. "In effect, what this does is try to influence the final status of negotiations while the Palestinians and the Israelis are at a critical moment. That's not helpful. In fact, it can be quite unhelpful."

MALAYSIA: Oil Rich but Cash Poor

Continued from Page 1

The government's search for cash has taken it, perhaps not coincidentally, to the country's largest oil market — Japan. During a visit to Tokyo, Prime Minister Mahathir bin Mohamad asked for "financial assistance," according to a Japanese official.

The official said Japan had agreed to provide soft loans for specific infrastructure projects and was waiting for formal requests from the Malaysians. "From the Japanese point of view, the amount is not decided," the official said. "We have to negotiate on the projects we assist."

But other sources familiar with Mr. Mahathir's visit to Japan said the prime minister had requested loans totaling several billion dollars.

It was the first time that Malaysia sought large-scale financial assistance from Japan in more than five years.

Petronas, for its part, is by no means in financial trouble. The oil company is highly respected among industry analysts and has extended its business

throughout Asia, Africa and the Middle East.

But like oil industry players around the world, the company has been squeezed by the decline of oil prices. Even as Petronas officials spoke Tuesday, crude oil prices fell below \$13 a barrel.

"It reduces the degree of freedom which the government has and which Petronas has in terms of the kinds of resources it may be able to call upon," said Jomo K. S., a professor of economics, commenting on the company's results.

Despite a difficult 1997, Petronas has fulfilled its traditional role: savior of troubled companies. In April, Petronas's shipping arm, Malaysia International Shipping Corp., bought the shipping assets of the cash-strapped Konsortium Perkapalan, a company controlled by Prime Minister Mahathir's son, Mirzan.

Malaysia International Shipping paid \$220 million for the assets and absorbed \$311 million worth of debt in a deal that analysts said was fairly priced.

MARKETS: London and Frankfurt Forge an Alliance on Stocks

Continued from Page 1

of physical presence," Mr. Seifert said.

Michael Marks, chairman of Merrill Lynch Europe, said the linkup would enhance the position of both cities among leading financial centers.

"The financial markets of tomorrow will be truly global and we must not be restricted by historic borders or different cultures," he said. The two exchanges said they had not yet chosen a location or a name for the 50-50 joint venture.

The agreement between the two exchanges provided some of the most dramatic evidence to date of the powerful integrating force of the euro, the single currency that 11 European Union countries will launch in January.

The rush to qualify for the euro has pushed interest rates down to uniformly low levels across most of the euro zone, fostering the perfect climate for rising stock prices and sparking a boom in mutual-fund investment by the Continent's once-conservative investors.

Investors in Germany, France, Italy, Spain and the Netherlands poured some \$95 billion into mutual funds in the first quarter, more than twice as much as a year earlier, according to Salomon Smith Barney.

The euro also will make it easier to invest across EU borders by eliminating exchange-rate risks and making corporate earnings statements directly comparable. As a result, fund managers and analysts are increasingly taking a pan-European approach toward investing, recommending the purchase of shares in chemical or automobile companies, for example, rather than the traditional approach of buying Dutch or French shares.

"If anything, the pace of reform in capital markets in association with the euro will surprise everybody," said Kim Schoenholz, chief economist at Salomon Smith Barney. "Once you create a big capital market with greater liquidity and reduced transaction costs, it changes thinking everywhere from households to corporate boardrooms."

The stock markets of the 11 euro countries and Britain were valued at some \$5.5 trillion at the end of last year, half as big as the entire U.S. market and more than twice the size of the Japanese market, according to Salomon Smith Barney. But the potential for growth is huge. The European economy is slightly larger than America's, Mr. Casey pointed out, and EU governments are likely to privatize thousands of companies worth as much as \$300 billion in coming years.

The announcement presented a stark challenge to other European exchanges, which have been seeking alliances furiously in anticipation of consolidation stemming from the single currency.

"It certainly does increase the pressure" on other European bourses to strengthen their own alliances, said an official at the Paris Bourse.

The Paris Bourse, which had not finalized plans to pool futures and options trading with the Deutsche Boerse, could be the biggest loser, some bankers said. But other analysts agreed that, with the wave of consolidations and multiplying alliances transforming the stock exchanges across Europe and around the world, in the words of one stock exchange official: "It's hard to tell what the landscape will be like six months from now."

In the United States, the Nasdaq market and the American Stock Exchange plan to merge to create the second-

largest U.S. stock market, and both those exchanges have had discussions with markets in Europe as well.

A spokesman for the Paris Bourse said it would consider joining the London-Frankfurt alliance after getting answers to "some technical questions and some political questions," including "Why didn't you tell us about the alliance beforehand?" and "How do you plan to include the other exchanges?"

"The alliance is obviously open to everyone, so why not?" said the Bourse spokesman, Bruno Rossignol. "But first we have to see what it means, whether it's interesting to join."

The answers to some of those questions are likely to come at a meeting Thursday in Frankfurt between officials of the Paris and Frankfurt exchanges, Mr. Rossignol said.

A spokesman at the Amsterdam Exchange was guarded, saying officials would discuss the London-Frankfurt alliance but continued to support their own vision of looser electronic ties between independent national exchanges.

"We were not even informed of this decision," Leo Hug, a spokesman for the Swiss Exchange, told Bloomberg News. "At the moment, there's no immediate pressure to join London and Frankfurt."

But Mr. Casey of the London exchange predicted that other exchanges would eventually join the alliance because of the overwhelming demand by global institutional investors for a single market for European blue-chip stocks.

The alliance also poses a big challenge to regulators, begging the question of whether a single European equity market will require a single regulator like the U.S. Securities and Exchange Commission.

GUILTY: Berlusconi Convicted of Bribery

Continued from Page 1

telephoned, his client said, "There is no justice in Milan."

It was Mr. Berlusconi's second recent conviction. He was found guilty of fraud in a trial last December involving a film company deal and sentenced to a suspended 16-month prison term.

Mr. Berlusconi has long complained that the prosecutions were part of a vendetta by liberal elements in the judicial system.

After the verdict, Mr. Berlusconi's political allies rallied around him and

echoed his cries of political prosecutions.

"Few Italians are going to believe this verdict doesn't have a political motivation behind it," said Rocco Buttiglione, leader of the new, centrist UDR party.

Pier Ferdinando Casini, secretary of the Christian Democratic Center party, said the conviction would do nothing to shake the opposition's confidence in Mr. Berlusconi's leadership of the Freedom Alliance opposition.

Mr. Berlusconi's brother, Paolo, a Fininvest official who was a co-defendant in the bribery trial, was acquitted. Three other Fininvest officials were convicted and sentenced to prison terms ranging from 10 months to two years and six months. Three tax inspectors, who were also on trial, were convicted and sentenced to two to three years in prison. A fourth inspector was cleared of the charges.

Noting the Decline, Pope Urges Return To Mass on Sundays

The Associated Press

VATICAN CITY — Concerned about the declining number of Sunday churchgoers, Pope John Paul II issued a sweeping call for Roman Catholics to respect the Lord's day.

In a letter released Tuesday, the Pope said those who did not go to Mass regularly "should be convinced that they cannot live their faith or share fully in the life of the Christian community."

The custom of the "weekend" and a declining sense of faith have kept people out of church, the letter said. In Austria, only 17 percent of Roman Catholics attend Mass regularly, and in Rome that figure is 28 percent, according to Vatican officials.

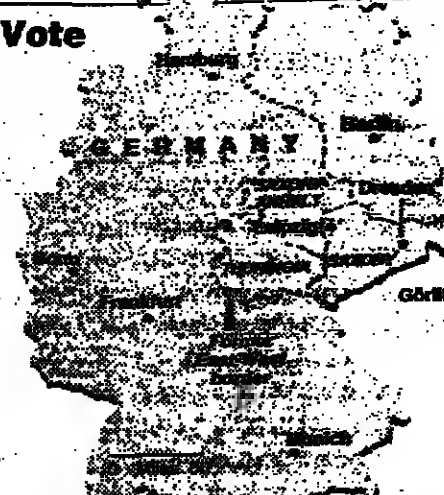
There were "positive aspects" to taking part in cultural, political or sporting activities on Sundays, the Pope said in the letter.

But families also should gather in prayer, perform charitable works or get out and discover nature on Sunday — a day he called "an indispensable element of our Christian identity."

AT ISSUE

The Shifting Vote

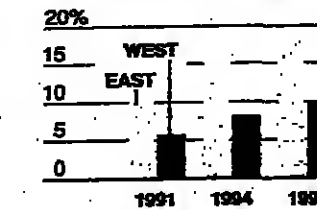
Germany will go to the polls to elect a chancellor this September, and while there are still strong loyalties to Helmut Kohl in the West, growing dissatisfaction with reunification in the East is diminishing Kohl's popularity and the chances for a fifth term.



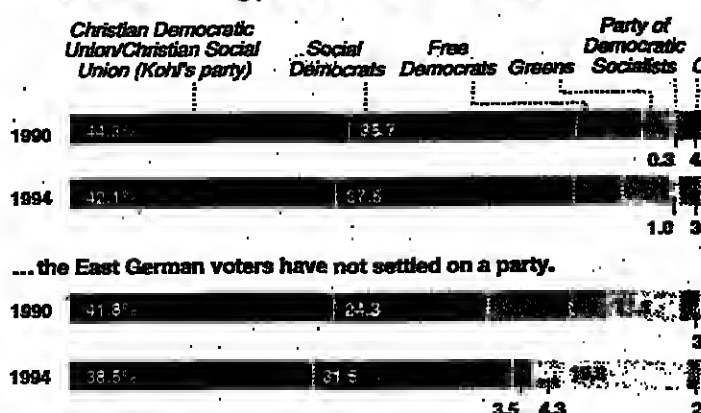
Expectations were high after reunification in 1990, but GDP per capita did not match those hopes ...

... and the change in the unemployment rate was a disappointment as well.

	EAST	WEST
1991	DM 13,000	DM 41,000
1994	17,000	41,000
1997	19,000	42,000



While the West's voting preferences have not changed much ...



Sources: The American Institute for Contemporary Studies/The Johns Hopkins University; German Federal Office of Statistics

GERMANY: East Is Key to Kohl's Future

Continued from Page 1

success for the Christian Democrats, even delivering extra seats in Parliament that bolstered Mr. Kohl's narrow majority.

This time, though, the calculations are different. "In this election, every single vote will count and the Christian Democrats' credibility is under the microscope," said Werner Patzelt, a professor of political science at Dresden Technical University. "If they can't convince people they have done something, then the election campaign will collapse."

Saxony is Eastern Germany's richest, most populous state. It is run as a Christian Democratic redoubt by a state premier, Kurt Biedenkopf, whose seigniorial manner has encouraged the nickname "King Kurt," and who endures as the party's political heavy artillery.

His twin big cities, Leipzig and Dresden, have come to symbolize a blend of entrepreneurial spirit, scientific know-how and historic elegance. Tourists flock to the baroque splendors of the opera and the art galleries. The tower of the Frankfurter Kirche in Dresden, destroyed by Allied bombing, is being rebuilt below a sheath of protective plastic.

Of the hundreds of billions of Western German aid dollars poured into the East, often to the advantage of Western investors, Saxony has received a substantial chunk.

"Look at the Elbe," exulted Steffen Heitmann, a priest who fought to sunder the Iron Curtain in 1989, and is now state justice minister. "It was black. It stank. Now there are fish in it."

"O.K., you can't eat them, or swim in it. But look at it," he said, gesturing toward the river's evening-golden flow where old, refurbished paddle-steamer ferries visitors.

"People now speak ironically of the blossoming landscapes," Mr. Heitmann added. "But they are here — health care, hospitals, courts, schools. We must show that."

For all that, Saxony labors under the same political blight as follows Mr. Kohl across the land, driving his standing in opinion polls below that of his Social Democrat challenger, Gerhard Schröder, and requiring him to recreate the fabled comeback that rescued him from defeat in 1994.

Cemented in history as the titan of German reunification, no one doubts Mr. Kohl's historical achievement. But, like John Major or George Bush, Mr. Kohl is depicted, even among his supposed allies, as the tired tail-end of a long dynasty that has run its course.

Contrast that with eight years ago. Then, Mr. Kohl's party was seen as the greatest hope, particularly among the lower-paid in Eastern Germany, and that sense endured for some through the 1994 elections.

Lutz Fischer, for instance, had been a driver in a state company in the former East Germany. Now he runs two vans delivering ice-cream on a contract from a big ice-cream company. In 1990, he said, he voted Christian Democrat "because they made the most promises."

Even in the 1994 elections, he said, "four years seemed a short time and you couldn't expect them to do everything."

"But the problem is that nothing has changed," he said. So this time he said he did not plan to vote for Mr. Kohl, although like many East Germans he was not quite sure whom he would support.

Even some of Mr. Kohl's stalwart West German supporters are hesitating. "This election is a real dilemma for us," said Josi Kraemer, a prosperous housewife in

Bonn. "Kohl has been there too long. But who else is there for people like us?"

Younger people, too, sense a disenchantment in many parts of Eastern Germany. In one recent, local vote in Saxony-Anhalt, many swerved to the extreme right. Some are heading left.

"At first I thought Helmut Kohl was right to insist on this rapid reunification, this rapid change," said Christian Bernius, a 27-year-old law clerk, who plans to vote Social Democrat. "In fact, there was a rapid change on paper, but not in people's heads. Division is going on longer."

Indeed, despite Germany's nominal unity, the election campaign is being fought as two.

In the West, where the bulk of Germany's voters show stable voting patterns, Christian Democratic strategists are waging a "red scare" campaign, accusing Mr. Schröder of working hand-in-glove with closet Communists in the East.

But in the East, where the challenge is to persuade voters that they never had it so good under communism, the aim is to win back those who believe reunification, personified in Mr. Kohl, has made them second-class citizens.

"The Christian Democrats have written off the East," said Raimund Graf, a strategist for the Social Democrats. Joachim Herz, former director of the Dresden State Opera, added, "What do you expect to achieve by constantly telling 15 million people that everything they did was wrong?"

The strategy, though, reflects a demographic and political reality: Germany's national elections are fought for the hearts and souls of the big, rich states of the West, where the population is four times that of the East, and where voters chafe at financing the East.

But in the East, voters are far less entrenched in their party preferences. While 80 percent of Western voters display party loyalty, government statistics show, only about half the Easterners show the same fidelity.

And they are far more likely to follow their pocketbooks than any sense of political obligation.

This year, in mayoral votes in two Saxony towns — Leipzig and Goeritz — the Christian Democrats were trounced. Last April, in Saxony-Anhalt, Mr. Kohl's party suffered its worst-ever postwar defeat, in a state assembly election that produced a sizable and troubling showing of about 13 percent for the far-right German People's Union.

One fifth of the vote, moreover, went to former Communists.

Since then, the Christian Democrats in Bonn have taken to castigating the Easterners' seeming proclivity for voting for extremes, and for displaying little of the gratitude that Westerners expect in return for paying a 7.5 percent income tax surcharge to finance the Eastern revival.

The ultimate issue in Eastern Germany, though, is jobs.

[Germany's Federal Labor Office on Tuesday confirmed that the country's unemployment rate fell to 10.5 percent in June from 10.9 percent in May. The Associated Press reported.]

At unification, the Communist command economy of East Germany was rudely dismantled, the Deutsche mark became the currency, and an entire way of state-sponsored living collapsed.

But the paradox is that the vast Western investment in Eastern Germany has provided none of the guaranteed jobs-for-life of state socialism.

"The more we modernize, the fewer jobs there are," Mr. Habbe said glumly.

BRIEFLY

Peace Talks Go On In Africa Dispute

ADDIS ABABA, Ethiopia — President Yoweri Museveni of Uganda arrived in Ethiopia from Entebbe on Tuesday in the latest attempt to resolve a two-month border dispute between the Horn of Africa neighbors.

Mr. Museveni's arrival coincided with a warning to Eritrea by Prime Minister Meles Zanaawi of Ethiopia that his country had made all the necessary preparations for a military victory if peace negotiations failed.

Mr. Museveni held talks on Monday in the Eritrean capital, Asmara, with President Isayas Afewerki and senior government officials, and was due to meet Mr. Meles late Tuesday. (Reuters)

Ghaddafi Surgery

CAIRO — The Libyan leader, Moammar Ghaddafi, has undergone successful surgery to repair a hip broken when he was exercising, the official Libyan news agency said Tuesday.

The operation was "successfully conducted" Monday night by Libyan surgeons, the agency said, but gave no further details.

On Monday, Mr. Ghaddafi, 56, appeared on state-run television and said that he broke a bone near his hip while exercising. (AP)



AGAINST YELTSIN — A Russian woman shouting slogans against President Boris Yeltsin and in support of the Communists during the funeral of General Lev Rokhlin in Moscow on Tuesday. The former general, a member of Parliament and fierce opponent of Mr. Yeltsin, was shot Friday by his wife.

البيان

INTERNATIONAL

Trickle-Down Entrepreneurship: Making a Living in Nigeria's Arid Economy

By James Rupert
Washington Post Service

KANO, Nigeria — In his 27 years, Sadiq Ibrahim has always been poor and almost never had a formal job. For years, he scraped together a little money selling fruit by the roadside, at neighborhood soccer games, anywhere he could.

Recently, Mr. Ibrahim's ingenuity — and some help from a sympathetic city official — has built him a flourishing business: The only fresh-fruit juice bar in Kano. He is fulfilling his primary goal, supporting his widowed mother and three siblings, and is planning for the day when he can hire employees and air-condition the abandoned travelers' shelter that he has converted into a bright little bar.

For Nigeria's unemployed people, estimated to number between 100 million and 120 million, a real job is hard to come by. With the country in a political crisis for the past five years, neither Nigerians nor foreigners have invested the money that would help create jobs. Official corruption and bad management have hampered or crippled such state-run endeavors as the telephone system, the electrical power grid, the railroads, road maintenance and gasoline supply.

Amid the collapse, millions of Nigerians are scraping by with a remarkable mix of labor, creativity and sacrifice. As in many Third World countries, sidewalks are lined with men and women squatting behind squares of cloth or plastic displaying clothes, cigarettes, plumbing fixtures, newspapers or virtually any small item for sale.

But the sidewalk economy here is broader than elsewhere, including mechanics, secretaries, TV technicians, tree cutters, manicurists and, on one

corner in the capital, Lagos, forklift rentals.

Such people — working for cash, mostly untaxed and unregulated and often with no permanent workplace — make up what economists call the informal economy. In major Nigerian cities, "something like 53 percent of the economically active population is in the informal sector," said Akin Mabogunje, an economist at the Development Policy Center, a research group in the southern city of Ibadan. "In the smaller towns, it is 80 percent."

In West Africa, Nigerians have a reputation as being among the region's most energetic entrepreneurs — even though some of the reputations come from their skills as drug traffickers. Nigerians "may have some advantages," Mr. Mabogunje said.

The relatively urban society encourages people to try business rather than agriculture, its market is vastly larger than any other in the region, and the huge oil industry saps money into the economy that can help fuel new businesses.

Historically, West Africans had more, and earlier, business opportunities than others on the continent. Mr. Mabogunje said, because this region was less attractive to outsiders.

During a century of white colonial rule, Europeans and Indians settled in the milder climates of eastern and southern Africa, and quickly dominated commercial farming and general trade in countries such as Kenya, Uganda, Zimbabwe (then Rhodesia) and South Africa.

But the lowlands of West Africa, where malaria was rampant, became known in the 19th century as "the white man's grave." A rhyme among British colonists in Africa warned of the Nigerian coast: "Beware, beware the Bight of Benin, where I comes out, though 40 go in."

The Red Book of West Africa, a guide to British colonies published in London in 1920, counted fewer than 3,000 Europeans in Nigeria but reported that "the young generation of native traders in Lagos are well demonstrating their business ability."

On Nigeria's dusty northern plain, Kano for centuries was one of the main southern terminus of the trans-Saharan caravan trade. The caravans no longer run, but the city remains the commercial center of northern Nigeria.

For years, Mr. Ibrahim was one of Kano's throng of sidewalk vendors, selling fruit grown by his father, a farmer. But with the idea that fruit juices would be more profitable, he began squeezing them — and finding customers.

In the past couple of years, in what seems like an economic fairy tale, Mr. Ibrahim has begun to cross the line from the informal economy to the established business world. A customer heard of an upcoming trade fair in Lagos and suggested that Mr. Ibrahim take his juices there.

At the fair, Mr. Ibrahim's freshly squeezed juices won a prize. Officials of Kano state were proud, he recalled, and then astonished when they realized that

he was not part of the state's official exhibition.

In Kano, a local official "asked me what help I needed," Mr. Ibrahim said, "and I told him I needed a place for my business." The city offered him use of a traveler's rest stop — a one-room, concrete structure hardly bigger than a bus shelter, that was built by the British during colonial rule and later abandoned.

Talking about the project, Mr. Ibrahim sounds like a marketing executive. "This is a good place because so many people drive by and see it," he said. He wired the place for electricity, installed lights and painted it white with orange trim. "It catches people's eyes," he said. It "looks fresh and clean, like the juices should be."

Mr. Ibrahim goes to Kano's main market at 6 A.M. each day and buys used plastic mineral-water bottles and baskets of pineapples, coconuts, oranges and mangoes.

"You have to know which ones will give good juice," he said.

He spends the day washing bottles, slicing fruit, squeezing it in a hand-operated press and storing it in a second-hand refrigerator. He closes at 10 P.M., pays a watchman to guard the place against thieves and goes home.

One day recently he talked about his success with a group of foreign tourists — a rarity these days — with no pause in his rhythm of slicing and squeezing oranges. To move up from among the millions of Nigerians pressed to the bottom of this massive economy, he said, hard work is necessary but not sufficient.

"I am lucky, thanks to God," he said.

"Many people are working only to live for one more day. I had a good idea that I found in my head. I don't know why it was there."



Sadiq Ibrahim sitting in his thriving juice bar in Kano, Nigeria.

Neutrality Issue Deeply Divides Austria

Torn by NATO Debate, Coalition Parties Can't Devise a Security Policy

By Barry James
International Herald Tribune

VIENNA — Austria's neutrality is coming under question, with the governing coalition of Socialists and Christian Democrats deeply divided over whether the country should join the North Atlantic Treaty Organization.

"By 2003, we will be a member of NATO for sure," said Andreas Khol, parliamentary leader of the conservative Austrian People's Party, a party of Christian Democrats that broadly supports joining the alliance.

But the Social Democratic party is against abandoning neutrality, which for many Socialists would be tantamount to an admission that their policies in the past were wrong.

The coalition failed recently to agree on a joint parliamentary text on defense. As a result, said a senior diplomatic source, "there is no Austrian security policy."

Diplomats said Chancellor Viktor Klima, a Social Democrat, waffled on the issue in an effort to keep the coalition together as Austria took over the presidency of the European Union July 1 for a six-month term.

Mr. Klima has committed himself to supporting a "European Defense Community" and said recently that "the question is whether joining NATO is the right thing to do when we are on the road to a strong, self-confident European security structure."

Analysts say such a structure would be no replacement for NATO, which

offers the benefit of U.S. military assets, including spy satellites and heavy-lift air transport, and the participation of Turkey, which is not a member of the European Union or likely to be one in the foreseeable future.

Geography is the reason that NATO would find it more convenient to have Austria in rather than out. The alliance has agreed to admit Poland, Hungary and the Czech Republic as members next year, and Austria provides a strategic link with them. It has normally granted transit rights, but this could change if the Socialist Democrats formed a coalition with the Greens and other leftist elements.

Otherwise, Austria's contribution to the alliance would be puny. It spends a mere 0.8 percent of gross domestic product on its military.

History is the main reason for Austria's remaining out. The Soviet Union agreed to withdraw its occupation troops and recognize the 1955 state treaty on the express condition that Austria "of its own free will" declare itself permanently neutral after the departure of the occupying powers.

The neutrality pledge has lost any practical meaning with Austria's membership of the European Union. But it still sets off nostalgic reactions on the left.

Under Bruno Kreisky, a Socialist chancellor who served from 1970 until 1983, neutrality became a moral stance, with Austria styling itself a mediator in world conflicts, equidistant from East and West. Neutrality was also linked

with Austrian distrust of Germany, the key alliance member in Western Europe.

"The Americans and NATO along with them, were always made out to be just as much an evil force as the Soviet Union," said Andreas Unterberger, the editor in chief of Die Presse. "Neutrality was transformed into an Austrian myth."

Austria's assumptions were shaken by the outbreak of conflict in the neighboring Yugoslav republics, which brought home the realization that mediation was meaningless without the presence of NATO troops on the ground in Bosnia.

As a result, according to Anton Pelinka, a political scientist, Austria vacillates between two options: "an unconvincing, agitated ingratiation toward NATO on the one hand and an ideologicalizing of neutrality on the other."

Mr. Pelinka said in an article that neutrality had been a fiction, and certainly served no purpose with the ending of the Cold War.

The federal president, Thomas Klestil, said it was not a simple question of whether to join NATO or maintain neutrality, but of defining the basis of Austrian solidarity with its neighbors.

"Europe's security is our security," he said, but added that security for most people "had many facets." It meant more than freedom from threat of military action. It meant freedom from crime, from unemployment and from environmental disaster, particularly because of aging Soviet-built nuclear re-



Mr. Klima at a EU press conference on Tuesday in Brussels.

actors in neighboring countries.

Austria is part of the Euro-Atlantic Partnership Council, which was set up last year to provide a broad framework for common security decisions.

Lord Rayner, Chairman Of Marks & Spencer, Dies

New York Times Service

Lord Rayner, 72, who as chairman and chief executive of Marks & Spencer PLC oversaw a revival and vast expansion of Britain's leading retailer that included acquiring the American clothing Brooks Brothers a decade ago, died June 26, the company announced in London.

The tight financial controls and strong management practices that Lord Rayner applied at Marks & Spencer were also put to use in the British government when he served in a variety of posts, most notably beginning in 1970 when he arranged to have all three branches of the British military use a single procurement office, which he then ran for three years.

"He was just applying some of the things that we do commercially at Marks & Spencer to a government organization," said Christopher Littmoden, chief executive of the company's North American operations. "In defense he saw efficiencies in having one buying overhead instead of three."

Derek George Rayner was a management trainee with Marks & Spencer in 1953 when the company's chairman, Lord Marcus Siff, asked for his thoughts about solving a problem. The young man's advice was so cogent that he was soon rising in the ranks of management, becoming a director in 1967.

In 1970, when Edward Heath became prime minister, Lord Rayner joined the government to centralize military procurement. He also advised Margaret Thatcher in the early years of her efforts to improve government efficiency.

In 1973 he was knighted for his work on behalf of taxpayers, and in 1982 he was given a life peerage.

Lord Rayner returned to Marks & Spencer in 1982 and two years later became the first person from outside the founding families to be chief executive.

Kay Thompson, Who Wrote 'Eloise' Series for Children

NEW YORK (AP) — Kay Thompson, the author of a series of children's books about the adventures of a spoiled 6-year-old named Eloise who lives in a posh Manhattan hotel, died Thursday. She was between 92 and 95 years old, said her lawyer, Arthur Abelman.

Ms. Thompson's original book "Eloise" sold 150,000 copies in the two years after it was released in 1954.

Ms. Thompson also was a pianist with the St. Louis Symphony, a singer with the Mills Brothers and an arranger and singer with Fred Waring's band.

Louis Goldstein, 85, Official Of Maryland for 40 Years

WASHINGTON (NYT) — Louis Goldstein, 85, an indelible figure in Maryland politics as one of the longest serving state officials in American history, died Friday night at his home in Prince Frederick, Maryland.

Mr. Goldstein was elected comptroller of Maryland in 1958 and was re-elected 10 times. Last month he announced that he would seek an 11th term.

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Big Week for Nigeria

Waiting for Abubakar

This week Nigerians learn what are their chances of breaking free from the corruption and dictatorship that the army has fastened upon them for most of their country's four decades of independence. General Abdulsalam Abubakar, successor to strongman Sani Abacha, who died of a heart attack on June 8, is expected in lay out a timetable and rules for the possible restoration of democracy.

In his brief rule he has freed some detainees, promised to release them all and removed some of the strongman's strategically placed cronies. The question remains whether his loyalists in the military command outweigh his obligations to Nigeria's democratic heritage. Nigeria's importance in the African scheme of things makes his decisions crucial to the continent.

The trickiest issue centers on the fate of Moshood Abiola, a businessman who apparently won the vote for president in 1993, stood by as the army annulled the elections and was imprisoned when he tried to claim the office. Mr. Abiola has entered a negotiation with the army about his future.

Out With the Generals

The high-level American delegation that landed in Nigeria on Monday is the latest in a stream of international visitors that has so far included British and Commonwealth officials and the United Nations secretary-general, Kofi Annan. All have carried essentially the same message — that General Abdulsalam Abubakar, Nigeria's new military ruler, should carry out a genuine transition to democracy.

There must be a transition, but General Abubakar is not the one to manage it. The job belongs to Moshood Abiola, a civilian who by most accounts won Nigeria's last election, in 1993. When he pressed his claim to the presidency, he was jailed for treason. The visitors have urged his release. But they have inexcusably encouraged him to return to civilian life, which he has apparently agreed to do, and let the military run things for the several months, if not longer, it will take to organize fair elections. Given the sordid history of past military rule in Nigeria, this is a dangerous accommodation.

General Abubakar has taken some reassuring measures since assuming

the presidency after the death of General Sani Abacha last month. He has released some 30 prominent political prisoners, including former President Olusegun Obasanjo. He has replaced some of General Abacha's cruder cabinet ministers. But hundreds of political prisoners remain in jail, many of whom have never been charged.

Previous military rulers also released prisoners and replaced ministers when they took power. It did not mean that they were democrats. One was General Abubakar's political mentor, General Ibrahim Babangida. In the 1980s he carried out some important reforms. He held an election in 1993 featuring two parties that he had created. But when the apparent winner, Mr. Abiola, was not to his liking, he annulled the vote.

Mr. Abiola is expected to be released soon, but his freedom seems to depend on his renunciation of the presidency. The military has no business putting conditions on his release, nor should Washington be seen as endorsing such a deal. It is naive to believe in General Abubakar's commitment to democracy at this point. The military has earned the distrust of the Nigerian people.

—THE WASHINGTON POST.

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—THE NEW YORK TIMES.

A Cowboy Has Gone

There is, in America, no more pliable figure than the cowboy. He is whatever we want him to be whenever we need to imagine him. He rides in from somewhere else, driving cattle, chasing bad men, fleeing the past or simply mulling over the landscape as it looks from the back of a horse. He is as artificial as the worst of movies can make him, and he is more authentic than even the truest of stories that are told about him. How richly we have elaborated the myth of cowboys — surrendering the reality nearly completely in the process — can be demonstrated by a simple thought-experiment. Try to imagine a western that could star both John Wayne and Roy Rogers, who died on Monday at 86. It can't be done.

One reason is that Roy Rogers was at least unimaginable thing, the domesticated cowboy. He had a steady girl and a steady horse and a steady sidekick and, in a sense, a steady job that had nothing to do with cattle but everything to do with being a sort of Stetson Superman, always appearing on the scene of trouble in the nick of time wearing a costume that made Superman look dowdy. (To recent generations, he is known, sadly, only from the restaurants that bear his name.) Into the scripts that cast John Wayne, trouble would ride unexpectedly from somewhere out beyond the horizon. But in Roy Rogers movies, and still more in his television series, which ran from 1951 to 1957, there was no horizon, only the edge of the set.

To the character Roy Rogers played when he was playing himself on screen, trouble came in distinctly limited forms, resolved by a song or a chase embrace with Dale Evans, his wife and partner of more than 50 years. But to those of us who grew up watching Roy Rogers on television in the 1950s, it was not the romance that

registered. It was his friendship with Trigger, his horse. Every half hour peaked when Roy leaped aboard Trigger — did we ever see Roy actually saddle his horse? — and galloped down a shade-mottled trail to the sound of hoofbeats. For many viewers, the picture of Roy Rogers, aglow in the sun, racing across the harmless West upon Trigger, is a picture as invincible to time as a childhood memory.

—THE NEW YORK TIMES.

Other Comment

Turning Off the Voters

The signal fact about the coming campaign in the United States, and all campaigns in this era, is that virtually everything the voters see and hear will be generated by people who have no direct responsibility for governing the country and no real accountability to the public.

Almost all the information and impressions that go into the electorate's decisions come either from campaign consultants employed by the candidates, parties and interest groups or from reporters covering them. They are accountable to their individual employers, but none of them has to answer to the voters.

This is not new, but it takes on increased importance when each election cycle brings stronger evidence that the campaigns are engineered by these consultants and reported by these journalists are turning off voters, not encouraging their participation.

What also has become clear is that the two groups would rather blame each other for the problems than accept responsibility for the damage that both are doing to confidence in this system of representative government.

—David S. Broder, commenting in *The Washington Post*.

No Court to Deter the Barbarity in Sierra Leone

By Emma Bonino

RUSSELS — If an International Criminal Court were already in existence, there would be plenty for it to do. Consider Sierra Leone.

At the current Sierra Leone conference to found a permanent court, all agree that the institution is supposed to be a deterrent. Does that imply that it should wait until events become history before acting? I hope not. A strong and independent court should also be empowered to act on crimes committed before any peace treaty is signed.

Unspeakable crimes against humanity are occurring in Sierra Leone today. The international community seems largely unaware of what is going on.

Hundreds of unarmed civilians are being brutally killed and mutilated by the Armed Forces Revolutionary Council and the Revolutionary United Front, which were forced from power when West African troops helped to restore the democratically elected president in Sierra Leone last February.

Amnesty International says the atrocities in Sierra Leone are the worst in Africa at the moment. Among witnesses to those atrocities are UN and other

international observers, as well as various international missions to the region, including a recent EU-U.S. mission.

Rebel forces have engaged in a horrific campaign to terrorize the population through indiscriminate killings, systematic laceration, mutilation or severing of limbs. The victims are men, women and children of all ages.

Hospitals in Sierra Leone and neighboring Guinea have registered hundreds of victims of these attacks.

A mother and daughter with right arms amputated, babies with lacerated skulls, pregnant women and old men with debilitating wounds, and young men with both arms missing are common in the hospital wards of Freetown and clinics in refugee camps in Guinea.

Often the inhabitants of entire villages are rounded up and forced to watch the torture and killing of relatives, be it through beating, shooting, eyes being burned out with acid, babies snatched and killed, slashes with machetes, or amputations of arms above

the elbow or at the wrist. After such attacks, villagers disperse into dense bushland where many bleed to death or succumb to fatal infections. Those who eventually reach safe areas in Sierra Leone, Guinea or Liberia have often walked for weeks through tropical bush feeding only on leaves and fruit.

Such atrocities are not part of traditional warfare in Africa. They are the result of an orchestrated strategy to terrorize civilians, carried out by troops trained in such barbarous techniques.

The systematic pattern of these crimes, as well as the scale of the terror, do not support claims that the rebels are retreating, isolated and beyond control. Field reports indicate that rebel movements could not take place without communication, control and supplies from outside. Crimes on this scale are usually orchestrated.

The international community should rally to find ways of putting an immediate end to violence and abuses against civilians in Sierra Leone.

It is important to provide instruments capable of delivering justice and reconciliation in the country. For Sierra

Leone, as in other countries where the functions of state, including justice systems, have failed or collapsed, the setting up of an International Criminal Court could be an important step on the road to peace and long-term stability.

For the Court to be effective in such a crisis, it must be empowered, independent and resourced to take action. In other words, it must provide a credible and immediate deterrent.

If the Court's founding conference in Rome does not deliver the goods, perpetrators of large-scale crimes in Sierra Leone and elsewhere will see a green light to continue their foul deeds.

There is also the danger that this crisis, and perhaps others, will be eclipsed and forgotten as the international community tacitly learns to live with crimes of such magnitude.

Sierra Leone reminds us that impunity fuels criminal violence in armed conflicts and rebellions.

The writer is the European commissioner for humanitarian affairs. She contributed this comment to the *International Herald Tribune*.

Israel: High-Tech Fallout in an Unruly Neighborhood

By Thomas L. Friedman

JERUSALEM — The big talk in Israel last week was that

three young Israeli software designers and their venture capitalist backer just sold their two-year-old company, Mirabilis, in America Online for \$287 million.

Mirabilis is an Internet communications tool that allows users to talk and exchange computer files while on-line. Israel is now second only to the United States in the number of computer-related start-up companies spawned in the 1990s.

Meanwhile, up north, Syria is still debating whether to allow in the Internet. A Palestinian businessman from Bethlehem who had just returned from try-

ing to do business in Damascus complained to me: "If I go to Syria and I don't have fax, cell phones or Internet, what do I do? These are my tools."

What does it mean for the future of the Middle East that Syria is still debating whether to get on the Internet and Israel is already designing the next generation of the Internet?

I think it means a lot.

This widening tech gap between Israel and its neighbors (Israel's GDP is roughly equal to that of Egypt, Jordan, the West Bank and Gaza, Lebanon and Syria combined) will si-

multaneously make Israel much less vulnerable to Arab political pressures, terrorism, boycotts and the ups and downs of the peace process, while making it more vulnerable to conventional or unconventional warfare.

In the old days, Israel grew oranges, Morocco grew oranges, Spain grew oranges. If importing countries were upset with Israel, they could easily punish it by buying someone else's oranges. But what happens when there is only one Mirabilis?

What happens when an Israeli company near Tiberias is

the only one in the world which makes a key Ethernet switching chip? What happens when Israeli companies start to dominate a key tech sector like online tools for Internet security?

What happens is that everyone comes courting Israel, no matter where the peace process is. Japan, which always shied away from Israel fearing Arab retaliation, is now the second-largest venture capital investor in Israel, after the United States.

Japan is weak in software design and has been gobbling up Israeli software companies. China now has 52 scientists doing research at Israel's renowned Weizmann Institute.

India also has 52. "If you have the technology people want," an Israeli business writer told me, "no one cares if you are suppressing Palestinians."

In the 1970s, the Arabs had what the Japanese needed most to fuel their economy — oil. Now Israel has a raw material that others covet almost as much — information technologies.

Another reason Israel is less vulnerable to low-level pressures is that knowledge investors are sophisticated. They understand, unlike tourists, that when a shooting happens in Luxor, Egypt, it is nowhere near their software-design center in Haifa, so they don't run easily.

Moreover, knowledge exports tend to be very light and not easy to disrupt. Some are exported by modem. Also, Israel's high-tech exports go not to its neighbors, with whom it is in tension, but to faraway markets in Asia, the European Union and the United States.

Finally, high-tech investment is in people, not factories that can be easily destroyed. But this last point underscores Israel's vulnerability as well. Israel is developing a knowledge economy, but knowledge workers are very mobile and they like to live in nice places. If the key knowledge workers in Israel decide that the situation has reached an intolerable point — because they cannot abide the rising influence of the ultra-Orthodox in political life, or the unresolved conflict with the Palestinians, or Prime Minister Netanyahu's mounting attacks on Israeli intellectual elites — then knowledge people will leave.

Also, while Israel's economy today might be able to absorb more pain without economic costs, there is one thing it cannot absorb, and that is a new war with the Palestinians.

With a \$17,000 a year per capita income, Israel today has a standard of living close to England's. The Mirabilis kids are the new role models. There are now long waiting lists for every engineering school.

If the political situation deteriorates and Mr. Netanyahu has to call on Israeli boys to go back and recapture the West Bank and Gaza, the middle class will be infuriated, and some will be out the door. Israel will never blame Mr. Netanyahu for bargaining hard, but they will not accept a new war of attrition.

There is one more vulnerability: that Israel will get so far ahead of its neighbors that one of them, out of humiliation or frustration, will lash out in some unconventional manner and try to level the playing field — and Israel, those who can't make a bomb will buy a bomb. Those who can't export software will export rage.

The writer is chairman and chief executive of The Bank of East Asia Ltd. in Hong Kong. He contributed this comment to the *Herald Tribune*.

The writer is chairman and chief executive of The Bank of East Asia Ltd. in Hong Kong. He contributed this comment to the *Herald Tribune*.

Hong Kong: Preparing a Mature Economy

By David K. P. Li

HONG KONG — As Hong

Kong starts its second year as a Special Administrative Region of China, some key things remain as they were before the handover last July. Hong Kong has retained all the features that made it so successful under British administration.

Hong Kong still has the British legal system and the rule of law. Its people still enjoy freedom of speech, freedom of worship and freedom to travel. We still use the English language. We still have low taxes and low government spending. In other words, China's promises of continuity and autonomy have been honored.

Some specific, limited changes relate to the change of sovereignty. Hong Kong has a new flag. We have a local chief

executive, rather than a British governor. We also have much warmer relations with Beijing.

But one change in Hong Kong stands out above all others. The economy has started to undergo a structural transformation. The last time this happened was in the late 1970s and early 1980s, when the territory made the transition from manufacturing to service industries. About a quarter of the work force moved from factories to offices.

Hong Kong is undergoing equally decisive changes today, which are necessary to its continued success. They are not a consequence of the handover or a direct result of the Asian financial turmoil. Even without

these factors, the changes would be happening.

Hong Kong is becoming a mature economy. Since 1986, it has achieved an average annual growth rate of more than 5 percent, after adjustment for inflation. Per capita income has risen from around \$7,000 a year to more than \$26,000. An economy that has achieved such a level of wealth creation has no choice but to grow more modestly.

This is not a bad thing, but it involves a significant adjustment for Hong Kong's people.

We are accustomed to quick profits and returns on investment. This has been encouraged by low, often negative real interest rates for much of the time in the last two decades. We have

But It's Too Soon to Trust in Beijing

By Esther Lam and Robert Stone

HONG KONG — The first

anniversary of Hong Kong's return to China came and went last week amid the separate visits of the U.S. and Chinese presidents and the opening of the new airport. With the media spin on all these events decidedly upbeat, it is easy to lose sight of the fact that Beijing's policy of "one country, two systems," under which China rules Hong Kong, has yet to be definitively proven.

Fears expressed before the handover about large-scale interference from the mainland have not been borne out. Instead, a new and unexpected range of problems has arisen, largely as a result of the Asian financial crisis. Despite this, Hong Kong is being hailed as a success story. But many ambiguities remain.

There is a difference of opinion about exactly what "one country, two systems" means. The Chinese leadership sums up its policy with the saying "Well water and river water don't mix." In Hong Kong this is generally taken to mean that

the former British colony will retain its social and economic systems and eventually evolve to full democracy, while the mainland will preserve its "socialism with Chinese characteristics" and develop at its own pace and in its own direction.

Internationally — and this view has been reinforced by the outcome of President Bill Clinton's visit to China — Hong Kong is seen not as a separate, self-governing territory under Chinese sovereignty but as the most successful and progressive part of China, capable of leading the mainland's economic and political transformation. This might be wishful thinking.

A year after the handover, many in Hong Kong still have the same doubts. The justice system, for example, has suffered several setbacks to its credibility.

Public skepticism turned to anger when the provisional legislature, put in place by China to roll back the democratic reforms initiated by Hong Kong's last British governor, Chris Patten,

rushed the passage of a bill exempting mainland organizations from certain Hong Kong laws.

Shortly afterward, two young protesters were convicted of desecrating the Chinese flag, a new offense in Hong Kong since the resumption of Chinese sovereignty.

Public anger has been sustained by what many here see as the government's inept handling of the East Asian economic crisis. The stock market has lost almost half its value, property prices have collapsed, the Hong Kong dollar peg to the U.S. dollar has come under attack, and unemployment stands at a 15-year high.

The government's response to these problems has been inconsistent. As a result, public faith has fallen dramatically.

Finally, there have been increasing calls for a speedy evolution to full democracy for Hong Kong. The record voter turnout for the recent Legislative Council election, which gave a largely symbolic victory to the democratic camp, has been widely acknowledged as proof of Hong Kong's political sophistication. The government, however, continues to insist on a slow pace of democratization as laid out in Hong Kong's mini-constitution, the Basic Law.

Recent spectacles such as the U.S. and Chinese presidents discussing human rights on Chinese television are indeed breakthroughs, but the danger for Hong Kong is that the international community will conclude that all is well and stop paying attention.

It is much too soon to say that the "one country, two systems" formula is a success. For this political experiment to work, Hong Kong will require critical international attention and less upbeat media spin.

Ms. Lam is a political reporter for the *Hong Kong Economic Journal*. Mr. Stone is an assistant professor in the Department of Journalism and Communication at the Chinese University of Hong Kong. They contributed this comment to the *International Herald Tribune*.

Go to the Aid of Indonesia Now

AMERICA has an opportunity to help Indonesia to halt a disastrous economic decline and move toward democratic elections. It would be irresponsible not to act now.

Indonesia needs humanitarian aid on a large scale. Up to \$1 billion might be required from the United States if the international community is to respond on the scale that meets the need. The World Bank is designing a program to provide a social safety net for poor families, many of which are down to one meal a day. International financing is needed to restart the country's exports and to recapitalize small business.

The Group of Seven will be asked to consider massive budgetary support. Many in Jakarta believe this help will be forthcoming only if the United States takes the leadership.

The United States needs to formulate a coherent policy on Indonesia. The White House needs to coordinate American responses more actively. Allowing the Treasury, State and Defense to pursue their separate agendas in the current crisis has left confusion about U.S. priorities.

The suffering of poor people from a monetary crisis they had no hand in creating needs a larger U.S. response. The even greater economic calamity that is looming can be avoided by coordinated international action by all the Group of Seven governments, working chiefly through the IMF and the World Bank, but someone needs to lead.

—John Bresnan, commenting in *The Washington Post*.

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FRANCE MOVES TO TAX RELIGION!

French tax administrators have jeopardized basic human rights by imposing a punitive 60 percent tax on the third-largest Christian religion in France. If the tax laws can be used to suppress one religion in France, then many religions and nonprofit organizations are at risk.

An open letter to the President of France

Governing Body of Jehovah's Witnesses

124 Columbia Heights, Brooklyn, New York 11201, U.S.A.

July 1, 1998

The Honorable Jacques Chirac
President of France

Dear Mr. President,

In a shocking display of religious discrimination, the French tax administration has launched a serious attack on religious freedom and human rights. Seeking to impose a 60 percent tax on the individual religious donations of more than 200,000 French citizens, the tax authorities have raised the specter of taxes for other religions and nonprofit organizations throughout France.

The decision followed a tax audit that lasted a year and a half. In the audit, the *Association Les Témoins de Jéhovah* (Association of Jehovah's Witnesses) was found to be a not-for-profit organization, not subject to tax for business activity. Nevertheless, on June 22, 1998, the local tax office placed a tax lien on the property of the French Association of Jehovah's Witnesses, alleging that the contributions of individual members of our religion are taxable. The assessment, which covers a four-year period, amounts to some 300 million francs (\$50 million, U.S.). This is the first time Jehovah's Witnesses have ever been subject to such a tax in their 100-year tenure in France.

We feel this is clearly discriminatory and unjust. We believe the entire assessment arises from an erroneous application of the law governing the exercise of religion, and it could affect donations to any religion, charity, or not-for-profit organization the tax administration chooses to target in the same manner.

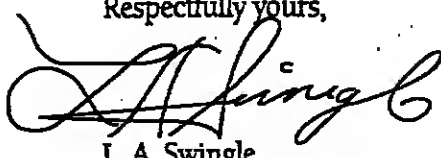
Human rights violated

The ability to practice religion freely is a basic human right, supported by the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, and the Constitution of the French Republic. Yet the tax authority believes it has the right to use its power of taxation arbitrarily to restrict some religions but not others.

Jehovah's Witnesses in France will challenge this gross act of religious discrimination. They will do this not only to avoid an unjust and oppressive tax but also to help assure that all French people enjoy freedom of religion.

Mr. President, we are confident that you believe in the principles of liberty, equality, and fraternity. We therefore ask for your support in removing this unjust and discriminatory tax and avoiding a dangerous threat to religious freedom and human rights in France.

Respectfully yours,



L. A. Swingle

For the Governing Body of Jehovah's Witnesses

مجلس الشورى

INTERNATIONAL

For Israel, Immigration Dilemma

As Economy Grows, State Becomes Stricter on Whom to Let In

By Lee Hockstader
Washington Post Service

JERUSALEM — He was reared as a Christian and as a black in America. But in his domestic life and personal convictions, Elazar Yaisrael, a truck driver from Chicago, is as serious about Judaism as many Israeli Jews. He keeps a kosher kitchen, has studied the Torah and gave all four of his children Old Testament names.

Mr. Yaisrael, now in his early fifties, changed his name and underwent a formal conversion to Judaism 10 years ago in Los Angeles. He applied for Israeli citizenship in 1996 and, after months of red tape, received his documents.

But when he tried to immigrate to Israel in May with his wife Sahrah, also a convert, four children and two grandchildren, alarm bells went off in the Israeli government. He was stopped at the airport, detained for hours and told that while he could immigrate his family was not welcome for more than a short stay.

"I've come here to live a Jewish way of life," said Mr. Yaisrael, a soft-spoken man with long, gray dreadlocks and a ready smile. "I'm trying to save my children from the black situations in the neighborhoods, the gangs and all that."

The Yaisraels, now living in administrative limbo under threat of deportation, are a testament to Israel's deepening confusion about who qualifies as a Jew and who, therefore, is entitled to live in the Jewish state.

The question is not only religious, legal or racial, although it is tinged with all three. At its core, perhaps, is an economic issue. As Israel's wealth and living standards begin to draw even with Western Europe's, the country has become more wary about who is immigrating and why.

Bobby Brown, an adviser to Prime Minister Benjamin Netanyahu said that if any person on the basis of declaring themselves Jewish would be allowed to immigrate under the Law of Return, then anybody in a country with a GDP per capita of less than Israel's \$17,000 would immediately be interested in coming to Israel. In the last few years, non-Jewish immigration to Israel, legal and illegal, has soared with the arrival of more than 200,000 foreign workers and at least that many Russian immigrants with little or no connection to Judaism. For the first time in Israel's 50-year history, a significant portion of its population of nearly 6 million — perhaps 10 percent or more — is neither Jewish nor Arab.

The influx of non-Jewish immigrants has coincided with a deepening and bitter split in Israeli society between sec-

ular and religious Jews. That in turn has fed a debate that touches the core of Israel's image of itself. Should it be a religious state dedicated to Orthodox Judaism? A "normal" state with a preponderance of Jews, some devoutly Orthodox, some simply traditional and some completely secular? Should it have qualms about admitting non-Jews?

"It's a question of identity," said Yaron Ezrahi, a prominent Israeli political philosopher. "In the past, the state has committed itself to being a Zionist state where all Jews can experiment with all forms of Judaism. But at the same time the right-wing government is giving the Orthodox more and more control."

Among the areas of government in which Orthodox political parties have the most control is the Interior Ministry, which oversees immigration and citizenship. When Mr. Yaisrael and his family arrived at Ben-Gurion Airport on May 11, it was the Interior Ministry that raised the alarm.

Although Mr. Yaisrael and his family

could have presented U.S. passports and been admitted as tourists, he also submitted his Israeli identity card at the airport and declared his intention to immigrate. In fact, he had spent \$10,000 — much of his savings — to buy one-way air tickets for the whole family and to ship their furniture and household goods from Chicago.

Interior Ministry officials were suspicious. Part of their concern had to do with the Black Hebrews — a sect of American blacks living in Dimona in southern Israel — who immigrated illegally, are not considered Jews and have long been a thorn in the side of the government.

Ministry officials also doubted the Yaisraels' commitment to Judaism.

The Interior Ministry has insisted that all the Yaisraels except Mr. Yaisrael, who already has Israeli citizenship, return to the United States to apply for permission to immigrate. The family is fighting. "I moved everything here," Mrs. Yaisrael said. "What would I go back to?"



GIAT Toulouse

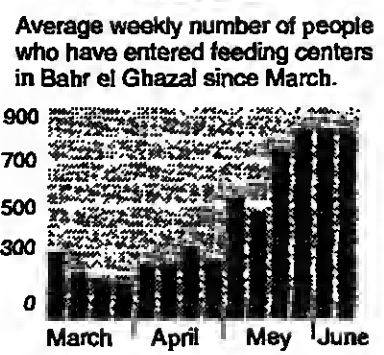
PROTEST FOR JOBS — Employees of the French state-owned defense group GIAT Industries protesting Tuesday in Toulouse against government plan to cut 3,600 jobs. Meanwhile, the defense minister said France was prepared to pour more money into GIAT, which has cost it 8 billion francs in the last year.

SUDAN: Famine Crushes the Beleaguered South, Despite Warnings and Pleas From International Aid Agencies

Continued from Page 1

Hunger in Southern Sudan

An estimated 1.2 million people are critically short of food in southern Sudan, where a civil war and drought have disrupted food production. The famine is the worst since that in Ethiopia in the 1980s, when 1 million people died, relief groups say.



Sources: Doctors Without Borders

The Washington Post

general outlines of the famine are as predicted.

Since then, UN cargo planes have flown almost constantly, dropping bags of cereals and high-calorie mix at three times any previous rate. By all accounts it remains too little.

"It's getting worse," said Charlotte Kragbøl, a Danish nurse who spends her days trying to cull the most dire cases from hundreds who gather in the heat — 38 degrees centigrade (100 degrees Fahrenheit) — outside the gates in Ajiep. The village is in Bahr el Ghazal, the southwestern Sudanese province hardest hit by food shortages.

In the south, the people are black and mostly Christian or animist. Many of them have been battling Sudan's central government for nearly four decades. The government is dominated by northerners, who are Arab and Muslim.

The disruption has been profound.

Recently, Arab horsemen of the government's Popular Defense Force galloped through villages of the Dinka tribe, burning, shooting and frightening people off their land.

"The people left without anything in their hands," said Zefferino Ayri, the headman of the villages in the area.

When the Dinkas returned, the planting season had passed and weather patterns associated with El Niño delayed

the rains that normally nourish pasture lands and river-fishing.

"They are living on leaves from the trees," Ayri said.

The emaciated crowds outside the Doctors Without Borders compound testify to the inadequacy of the airlift. Workers dispense only a few boxes of fortified biscuits and a small bag of high-energy porridge called Unimix to each family once a week. General food distribution remains the province of the United Nations World Food Program, with an effort called Operation Lifeline Sudan. Independent agencies such as Doctors Without Borders operate what are called "supplementary feeding centers."

"Supplementary to what, you might ask," a nurse said, after tending to a wraith carried by his brother. "The problem is we can't give him a full ration. If we can't give him a full ration, it's the fault of the international community."

Lu Nakel, a German doctor, said: "The food from outside which is supposed to be here is not here."

UN officials acknowledge the shortfall. The last food drop at Ajiep, on June 7, was enough for 18 days. When the food in Ajiep began to run out two weeks ago, resupply was still weeks away.

The failure underscores the tenuous nature of the rescue operation: a permanent bureaucracy that has been un-

able to keep pace with a rolling disaster. And the disaster has been predicted in general terms since last September.

The World Food Program managed to raise only 50 percent of its appeal from donors last year, according to Brenda Barton, a spokeswoman. She said related programs operating in Sudan fared even worse. Blame fell on "donor fatigue" associated with a region that has been suffering food shortages since Operation Lifeline Sudan was established in 1989. That was when 250,000 people died of hunger in Bahr el Ghazal.

In Sudan, a bad situation grew worse in February and March, when the government banned relief flights. After an international outcry, the lid was slowly lifted, and by June the United Nations had access to all of Sudan — but it lacked the planes to reach it.

In the meantime, death rates in southwestern Sudan have steadily risen. By late June, the situation qualified for a term the United Nations had carefully avoided until late last month: famine.

Fighting Disrupts Aid

More than 700 malnourished children were left without food when fighting between rebels and government troops forced aid workers to evacuate a town in southern Sudan, Doctors Without Borders said Tuesday. The Associated Press reported from Nairobi. About 25 relief workers were evacuated on June 29, it said.

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Right Moves: Art and Real Estate

By Vincent Canby
New York Times Service

NEW YORK — Theater often has less to do with passion, art or even accomplishment than it does with real estate commitments. Consider the good fortune of Michael Mayer's production of "Side Man," Warren Leight's alternately flip and melancholy, sometimes brutal memoir about the last years of the Big Band era. Having received favorable notices and enthusiastic audiences earlier this year at the Classic Stage Company's Off-Broadway theater, "Side Man" has now transferred to the Roundabout Theatre's Stage Right on Broadway.

Yet the move isn't just another example of how quality inevitably rises to the top. Chance and availability of real estate have also had a lot to do with it. At Stage Right, "Side Man" is in the larger of the Roundabout's two spaces, the one most recently occupied by a turgid revival of Terrence Rattigan's 1952 romantic drama, "The Deep Blue Sea." The long-scheduled opening of the Rattigan play in late March prompted the transfer of the Roundabout's hit revival of Arthur Miller's "View From the Bridge" to the Neil Simon Theater. It was only when "The Deep Blue Sea" closed that the space became available for "Side Man." You see how chance operates.

The move is a happy one. It brings a new American play to the Roundabout, which has built up its large, loyal subscription audience by concentrating on revivals. "Side Man" is not only a new play but also something of an original. It's a recollection of a time now recalled chiefly through the names of Benny Goodman, Artie Shaw and the other leaders of the big swing bands, which, before the coming of Elvis Presley, the Beatles and rock-and-roll, embraced great jazz musicians and set the musical tastes for the country from the mid-1930s into the early 1950s.

Leight is not a name-dropper, nor does he deal in the kind of nostalgia that depends on the easy sentiment evoked by the music itself. He's not interested in the stars of that era. He's concerned with the side men, those crazily obsessed, sometimes gifted musicians who floated from one band to the next earning peanuts, heedless of their haphazard, messy existences, aware only of the music by which they connected to one another and to life.

Such a man is Geoe (Frank Wood),



A scene from Shaw's "You Never Can Tell."

Sella is good in the schizoid role of narrator-son, meaning that he must stand outside the events, often jokingly commenting on them, even as he's participating in them as one of the victims. Not easy.

Playing next door to "Side Man," at the Roundabout's smaller Laura Pels Theatre, is Nicholas Martin's revival of George Bernard Shaw's "You Never Can Tell." The good news: a performance by Robert Sean Leonard so disciplined, technically assured and commandingly funny that the impulse is to say that a star is — if not exactly born — then at long last recognized.

the quietly remarkable trumpet player, terrible husband and thoughtless father remembered by his son Clifford (Robert Sella), the narrator of "Side Man." There's nothing much wrong with Geoe except that he should never have married and become a father. Certainly he should never have married a woman as ill-equipped as the emotionally unstable Terry (Wendy Makkena) to deal with a man who lives only through his music.

The fact is that she probably would never have married him except that the first time she sat in one of his gigs, she heard the genius of Dizzy Gillespie in his horn. She becomes his most dangerous fan. He probably never would have married her except that it seemed the thing to do and, once done, he never gave it another thought.

As the years go by, Geoe scarcely ages a day. Terry, working as a waitress, slips into alcoholism and teeters on madness. When she screams, throws food and threatens suicide, he goes out to move the car and stays away, sometimes for days or maybe just until he's sure she's drunk herself to sleep. Clifford is less their child than their keeper, furious with and saddened by his mother, mesmerized by his glimpses of his father's secret life.

THIS is an engrossing play without being entirely satisfactory. One character is missing: Terry as wife and mother. I'm not sure whether this is a reflection of the role as written or as played by Makkena. Much of the time her tirades are just gibberish. She should break your heart. Instead you wish she would vanish.

Leight has created a fascinating character in Geoe, who is revealed as much by how other people react to him as by what he does or says. There's something benignly ghostlike about him. Wood plays him with just the right proportion of dimness to recognizable, maddening eccentricity.

For some time, without fuss or hype, Leonard has been learning his craft in films ("Dead Poet's Society," "Much Ado About Nothing") and on the stage ("Philadelphia, Here I Come," "Arcadia"). Now it appears to be pay-off time. As Valentine, whose Shavian mind and dashing romantic soul inhabit the body of a failed deist, he has a role that he can run with, which he does with an almost Olivier-like pleasure, transforming a rather perfunctory Shaw revival into a farcical delight.

"You Never Can Tell" is not in a league with such great, characteristically Shavian comedies as "Pygmalion" and "Major Barbara." Its conventions are of the 19th century. Shaw began writing it in December 1895, the year of Oscar Wilde's triumph (the production of "The Importance of Being Earnest") and his humiliation (his trials and imprisonment).

Shaw finished it in 1896 and, though he might not have admitted it, "You Never Can Tell" has a lot of Wildean wit in it. Note the apology of a mannerly waiter to his betters for having raised his son to become a Queen's Counsel: "Never mind my being the gentleman's father, ma'am: it is only the accident of birth after all."

As often happens at the Roundabout, the casting is uneven, though Leonard brings the ensemble together. He doesn't stand apart from the others: instead his energy and enthusiasm have a way of carrying everyone along with him.

Two other very good performances to note: Charles Keating, who plays the august waiter whose only indiscretion is his successful son, and Jere Shea as that son, who freely acknowledges his father, without ever forgetting that the man is, after all, a waiter. Alan Moyer's sets are charming.

Imperfect, perhaps, but still potentially revivifying on a blistering summer's day or night.



Veronica Hart and Dean Collinson in Andrew Lloyd Webber's "Whistle Down the Wind."

When 'The Wind' Blows

By Sheridan Morley
International Herald Tribune

LONDON — Just what is it about the British and musicals? To be more specific, just what is it about London drama critics and Andrew Lloyd Webber? By my reckoning, his "Whistle Down the Wind" (now at the Aldwych) has thus far had three or four good reviews and another eight or nine of such breathtaking hostility that you begin to wonder whether writing a musical in this country will soon become an offense punishable by a prison sentence, or perhaps just a sizable fine.

Is "Whistle Down the Wind" really that terrible? No, it's not; it may not be perfect, but it does represent a major attempt by its composer to move forward. This is a dark, thoughtful, intelligent show about religious obsession, and its roots are in an extremely good and successful 1961 novel-introduction by Mary Hayley Bell. For those who believe that all good musicals can be summarized in a single sentence, this one is about a trio of lost children who come upon an escaped killer in a barn and, because he curses, "Jesus Christ!" upon discovery, mistakenly assume that he is simply giving them his name.

But where, nowadays, do you find kids that dumb? The problem is that you don't, so Lloyd Webber and his quite brilliant lyricist, Jim Steinman, have gone back to 1959 Louisiana, and a backwoods community where trains don't even stop at the local station. So this is not another Bible Belter in the old Webber tradition of "Joseph and the Amazing Technicolor Dreamcoat" or "Jesus Christ Superstar." Its debts are instead to "Elmer Gantry" and John Steinbeck and "The Grapes of Wrath," and maybe even the film "Deliverance."

I have now seen "Whistle Down the Wind" three times in three years: once in a kind of workshop concert with some

of the present cast at Lloyd Webber's home, once in a lavish but critically disastrous staging in Washington by Hal Prince, and now in its London premiere by Gale Edwards. Each time, "Whistle" has changed radically, and we now, I believe, have it about as good as it will ever get. Yes, there indeed remain some problems: The set is still causing performances to be canceled, and I am less in love than the composer with the idea, also tried in "Sunset Boulevard," that you have two levels on a gigantic kind of hinge so that the upper level can fold down into the lower. Not only does this clearly cause mechanical troubles backstage, but it also plays hell with sight lines for too many rows of stalls and circle.

And we now have rather too many children; not just the original trio, but a whole army of their friends whose anthems drift dangerously close to "Annie" or even "Oliver!" This new concept of kiddie power plays hell with the original idea, especially when they sing choruses about how life will be when they rule the world. The real tragedy of "Whistle Down the Wind" as originally conceived is that these children don't rule anything, and are hostages to their parents' ill fortunes.

And yet that still doesn't explain the hostility. There is a lack of tolerance here that I think will quite soon turn all of us as theatergoers. People will simply stop writing new musicals in this country, because the risks and the costs of failure have just become too great. This is not unrealistic; it happened in these last 20 years or so in the United States (as usual, Stephen Sondheim remains the exception who proves the rule), where only recently has a new generation of musical writers arrived to revive the genre.

So, all other issues aside, is "Whistle Down the Wind" worth your time and ticket money? Enthusiatically, yes. Un-

like such current hits as "Grease" and "Saturday Night Fever" and "Sunset Boulevard," this is not simply an old movie reheated for the stage with most of its source power long gone. It is a genuine development of the original, with a yearning intensity and a lyrical, reflective score that will, I believe, be recalled when many more immediately acceptable scores have disappeared forever. Above all, it remains a play with songs and a power of plot and character development.

"Whistle Down the Wind" is largely about growing up, and that is something the composer is also doing, albeit maybe a little late. It is far and away the most adult of all the Lloyd Webber scores, and for that reason also perhaps the most dangerous and difficult. It does not give its audience an easy ride; it is not a theme-park sing-along for the Disney market. It may well never work on Broadway, but that doesn't make it inferior or deserving of the insults that have been hurled at it over the last few days.

Nobody except the public liked "Les Misérables" when it opened, and although we are emphatically not looking at a triumph on that scale, we are dealing with the same problem: an absolute British critical refusal to give new musicals the same deal that we give new plays.

The play's two newcomers, Marcus Loven and Lottie Mayor, are seriously good in difficult leading roles, and it demands a great audience leap of time and space and faith. When "The Wind" listens to its own whistle and stays true to its own dark soul, it is deeply and dramatically moving.

If it dies a rapid death at the box office, then I think we may as well give up on the hope that big commercial West End musicals into the millennium could be anything more than a rehash of old Hollywood hits.

Seeing Music Along With Berlioz

By Bernard Holland
New York Times Service

NEW YORK — We see music better than we write about it. This is no surprise. The eye and ear are first cousins, sensory organs on an equal footing. Writing is something the intellect thought up later, a concocted set of symbols to put perceptions and perceived in contact.

Take, for example, Basil Twist's underwater puppetry, currently at work in the Here theater complex in SoHo. The sights with which it accompanies the "Symphonie Fantastique" tell us more about Berlioz's sounds than The New Grove Dictionary of Music and Musicians ever could.

Words fail. Some music lends itself to geometric dissection, and tacking stories onto music is a device that comes and goes, but intervals and rhythm have proved pretty much bulletproof when it comes to descriptive language.

Twist's exercise, called simply "Symphonie Fantastique," manipu-

lates objects and light within a 500-gallon tank of water, one side of which, 30 by 40 inches (70 by 100 centimeters), is visible to an audience of about 100. "Symphonie," performed to an old Philadelphia Orchestra recording led by Eugene Ormandy, has its halting moments and flashes of extraordinary beauty. It plays until July 26.

Water fascinated Romantic composers and their offspring. Debussy described his reflected light and orchestrated a day in the life of the sea. Liszt and Ravel wrote about fountains; Respighi, too, lives followed the course of a river through Stockbridge, Massachusetts. Smetana had his Moldau to celebrate. Handel wrote the "Water Music," but his piece seems more about being on the water than in it. So, too, Schubert's "Auf dem Wasser zu Singen."

Water is legato, and so is the overriding spirit of Romantic music. Water lets us hear with our eyes the extended melodic phrase; continuous, undulating, devoid of sharp corners and rectangular shapes.

Twist's scarves and strands of tinsel swim like fish and come very close to singing like songs: diving, twisting, darting. The movements, even to the erupting bubbles, are synchronized to Berlioz's music. A lot of us like to emphasize the uniqueness of music as an expressive art, but here the parallels between hearing and seeing won't go away.

Berlioz's detailed story for this piece is not told. What we see is how music moves. Some kinds of music, sonata form in particular, move horizontally through time; we follow them as would our eyes the path of a car. Contrapuntal music seems to expand in all directions; advanced telescopes tell us that similar things are happening in the universe.

Twist is not a classical musician, but he doesn't have to be. "Symphonie Fantastique" is more vital than most animation, because it gives us real people in real time, a live performance featuring a cast of abstractions. I don't know if Twist and his crew improvise from time to time, but I hope they do. At any rate, they are onto something.

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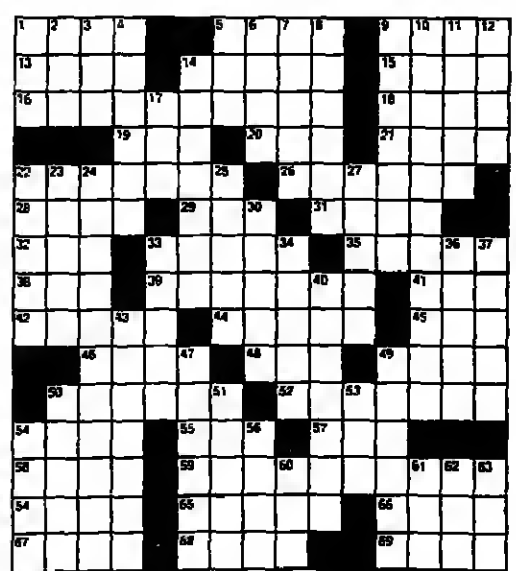
- 1 Suffered temblor
- 5 Spicy stew
- 9 Jean-Luc's father
- 12 Remorseful one
- 14 Witch's ride
- 15 Villain
- 16 Lube job supply
- 18 Cathedral nook
- 19 Do an impression of
- 20 One who's coming out
- 21 Uno - dos
- 22 Early part of a race
- 26 Whitewater enthusiast
- 28 Classic theater name
- 29 Suffr' with eye on ear
- 31 Elvis's "Not You"
- 32 Cockpit abhor
- 33 Leg-puller
- 34 Scrib-writer Card
- 36 Jetsam of 1773
- 38 Wifely
- 41 6 on a phone
- 42 Record holder?
- 44 Everybody's opposite
- 45 Aspiration
- 46 Squid's squirts
- 48 "Quincy, M.E." actor
- 49 Some sheets
- 50 Proposal
- 52 Girded (oneish)
- 54 Name of 12 popes
- 55 Quirk
- 57 Babe
- 58 Area's Trans mountain range
- 59 Sign in an intensive care unit
- 64 Jazzman Stan
- 65 Pure-and-simple
- 66 Eavesdrop
- 67 Stanley Gardner
- 68 The enemy
- 69 New Age music superstar
- 12 Preholiday rights
- 14 Uncle Remus character
- 17 Phi Beta Kappa concern for short
- 22 Talk talk, talk
- 23 Popular watch
- 24 Volcano southeast of Mexico City
- 25 Sgt. Preston's home
- 27 Cello lecture
- 30 The lung of France
- 33 Hong Kong sights
- 34 Takes to the streets
- 36 Temporarily put aside
- 37 Wanderer
- 40 Bar request
- 43 If fits all, in a phrase
- 47 Not participable in
- 48 Creme de —
- 50 Mason, at times
- 51 Beethoven's "Pastoral" Symphony
- 53 One billion years
- 54 Bellhop
- 56 Cellular suffix

Solution to Puzzle of July 7

SPAM NOTER CHAO
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ACES SHINE ALAN
TOLDOVONESELEFIS
NOR SEAL
BOS WILD STEINS
OTTO NOOK TINGOT
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HEROO STEW ERAT
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LIFE LONG ROMANCE
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OERO CRONE NERO
ETES HEWEO ADOIS

DOWN

- 1 Flammable 60's item
- 2 Neighbor of Ger.
- 3 Sthly swimmer
- 4 Visionary
- 5 Band of gold?
- 6 Heap ton
- 7 Not a medalist
- 8 They have pseudopods
- 9 LP
- 10 Alternative to special delivery
- 11 Former sleeper



Puzzle by Sam Benetto Jr.

New York Times/Edited by Will Shortz

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Donald Barden, right, and Mr. Jackson have picked Africa to build businesses and help improve people's lives.

An Unlikely Duo Takes On Namibia

Black U.S. Executive and Michael Jackson Target a Market

By Donald G. McNeil Jr.
New York Times Service

WINDHOEK, Namibia — This windswept capital in the Namibian desert is not the kind of arena where Michael Jackson normally plays. And 500 buttoned-down executives and finance ministers talking tariffs are not his usual audience.

But the singer came in May, striding up a conference room aisle in full fedora, lipstick and Sergeant Pepper jacket, with a pushy entourage trailing along, to give a speech deploring "the plight of the children of the universe."

It ended: "My new business partner, Don Barden, and I are going to be putting our money where our mouths are. We're going to be looking at global investments that will bring economic development to people and improvement to the lives of children."

Getting the Gloved One to declare himself the Global One — and getting the World Economic Forum to make that its kickoff speech here at one of its many regional meetings — was one of the quickest public relations coups southern Africa has ever seen. But the versatile entrepreneur who managed it has some interesting quirks himself.

Donald Barden, 54, is one of America's wealthiest black executives. He is the founder of a privately held conglomerate, the Barden Companies, based in Detroit, which had estimated sales last year of \$110 million and was No. 14 on Black Enterprise magazine's 1998 list of 100 biggest black-owned industrial/service companies.

Mr. Barden is also one of a tiny few who have taken up a challenge thrown down to African-American entrepre-

neurs by Ronald Brown, the late commerce secretary: Come back to Africa and build a business.

Some might think Mr. Barden has a fatal attraction for risk. He does not see it that way.

"This market is a real sleeper," he said during an interview, along with Mr. Jackson, in a small office in his Windhoek car-rebuilding plant.

"Once the free-market system permeates, this continent will be one of the world's most dynamic markets." Until recently, most of Mr. Barden's risks were confined to the American Midwest. He grew up as one of 13 siblings in Inkster, Michigan, outside Detroit. He was captain of his high school basketball and football teams, but had to drop out of Central State University in Ohio in 1963 because he could not afford the tuition. Living with a big brother in Lorain, Ohio, he was a mover and a laborer before opening a record store, then starting a label and venturing into public relations.

That was all before he heard, by chance, that a military recruiting station near his office was looking for new space. Mr. Barden helped it find a spot, and in that switch to real estate he began to make some real money.

Mr. Barden later founded The Lorain County Times, a weekly, sat on the Lorain City Council and became a television anchor, where he realized the profit potential in cable television. In 1983, after wiring some small Michigan towns, he won the right to wire 375,000 Detroit households in partnership with a Canadian cable company.

Mr. Barden sold his share of the cable television business for \$105 million in 1994. He now owns five Illinois

radio stations, an Arizona software company and an Ohio real estate company that has built jails and fancy suburbs. In 1995, he entered the gaming industry; his riverboat, the Majestic Star of Gary, Indiana, is America's first black-owned casino.

He does not shy from fights. In 1995, he took on Donald Trump, accusing him of "extortion" for demanding \$25 million as part of a deal to share a wharf site in Gary. Nor is he shy about some times using race to his advantage. He did so to win the Detroit cable franchise, and last year he accused the city's mayor of failing blacks and native sons by denying him a casino license.

At first glance, Mr. Barden's entry into Africa seems counterintuitive. He chose Namibia, a country of only 1.7 million people, instead of the obvious place, South Africa, with its higher income and its population of 40 million. On top of that, Mr. Barden is going into businesses he has never been in before: a General Motors dealership and sales of canned food, drinks and mattresses. And his target markets include some of the poorest, most forgotten people in the world: the suffering millions of war-torn Angola and Congo, the former Zaire.

But there is method to his seeming madness. As Mr. Barden is quick to point out, Namibia has excellent roads, railways and phones, a benign if arid climate and a deep-water port at Walvis Bay. It has had eight years of democratic government and a currency linked to the South African rand. And, most important, Namibia wants him.

Mr. Barden's connection with the

Frankfurt Takes a Giant Step

Its Move Into the Financial Big Leagues Rattles Other Bourses

By John Schmid
International Herald Tribune

FRANKFURT — Germany's reputation as an economic giant and a financial-services dwarf underwent a transformation Tuesday. Frankfurt, the nation's drab financial metropolis, slipped into the top leagues of international finance and left many of Europe's other financial centers uncertain of their future.

Financialplatz Frankfurt, or Frankfurt as a trading center, appears set to grow into a prestigious new role at the heart of European monetary union, economists said, with the surprise announcement that Germany's main stock exchange will join the far-larger London Stock Exchange in laying the foundations for a single, pan-European stock market.

If the plan moves ahead as expected, it means that a nation known for its lack of either a service or an equity culture may siphon traditional business in big blue-chip shares from the national exchanges in such cities as Paris, Amsterdam and Madrid, according to European traders and analysts.

The advent of a pan-European stock exchange gives once-sleepy Frankfurt a new way to channel its economic muscle into international financial firepower.

"Will this squeeze Paris, Amsterdam and Milan? Yes," said Christopher Potts, head of research in Paris at the Cheuvreux de Virieu investment house. "You can forget about these other centers becoming major centers."

Other national exchanges will be "struggling to catch up," in the words of J. Paul Horne, chief of equity research in London at Salomon Smith Barney.

That Frankfurt has catapulted so far, so quickly owes much to the quiet savvy of men like Werner Seifert, chief executive of Deutsche Boerse AG, Frankfurt's stock-exchange holding company, and Rolf-Ernst Breuer, president of the exchange and a man who promotes Frankfurt from his post as chief executive of Frankfurt-based Deutsche Bank AG, the nation's biggest bank.

Since taking over at Deutsche Boerse in 1993, Mr. Seifert has overseen a badly needed overhaul of its operations and installed state-of-the-art trading technology and a service-friendly culture. The results were evident even before Mr. Seifert appeared Tuesday in London's Savoy Hotel to make the an-

nouncement. The city's new Xetra trading system has won accolades from investors for its transparency, efficiency and the seamless settlement of transactions.

More importantly, the Deutsche Boerse this year scored an unprecedented upset against London's traditional rank as financial-sector leader. Deutsche Boerse's DTB futures and options exchange subsidiary wrested away dominance of Europe's benchmark government bond contract, the Bund German bond future, from the London International Financial Futures and Options Exchange. The DTB, recently renamed Eurex, carried out the lucrative feat by stealing market share and volume from the Life market.

Mr. Breuer has his own reasons to promote Frankfurt, hometown of Deutsche Bank, which Mr. Breuer

wants to become one of the leading banks in the 11-nation euro zone.

The magnitude of Frankfurt's coup is most evident when compared with the plight of Europe's other exchanges, which remain a patchwork of 54 floor and computer bourses. For now, Frankfurt finds itself in a comfortable position as analysts expect other exchanges to merge or weave alliances in what many see as an inevitable euro-driven consolidation.

Traders said Paris likely felt the greatest blow to its prestige. Promoters and financiers in France have toiled for years to establish Paris as Europe's No. 2 financial center behind London, trying at least to keep pace with Frankfurt. With the announcement Tuesday, negotiated in secrecy over the past two months, Paris was relegated to the bottom tier.

Russian Stocks Tumble

IMF Loan Vital to Avoid Devaluation of Ruble

Compiled by Our Staff From Dispatches

MOSCOW — Russian stocks and bonds slid Tuesday after bidders withdrew from a tender for a state oil company, increasing concern Russia could be forced to devalue the ruble unless it can secure an International Monetary Fund loan soon.

The benchmark RTS stock index closed down 4.51 percent and yields on ruble-denominated debt soared above 100 percent.

Russia, the darling of emerging market investors last year with the world's best-performing stock index, now faces a cash crunch, forcing it to spend foreign exchange reserves over the past two months to cover debt payments of more than \$1 billion per week. The government is seeking as much as \$15 billion from the IMF to replenish its coffers and avoid devaluing the ruble.

Anatoli Chubais, Russia's envoy to the Fund, said loan talks could be completed this week, but investors were hoping for more specific news.

"We need to see something much more significant," said Philip Manduca, chief investment officer at Eikon Capital Management in London.

Investors also were discouraged by the withdrawal of bids for the state oil company RAO Rosneft, which the government hopes will raise \$1.6 billion. Russia's Uneximbank and British Petroleum PLC decided Monday to pull out of bidding for a 75 percent stake of Rosneft.

Royal Dutch/Shell Group, the only other foreign oil company expected to bid, pulled out last week.

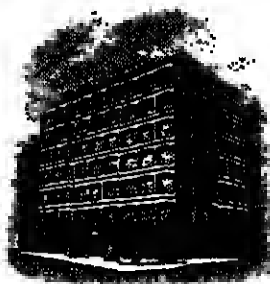
Russia on Tuesday postponed until August sales of Treasury bonds that had been scheduled for next week. Officials said the postponement was a vote that negotiations with the IMF were proceeding well.

"It means that we are sure that the question with the International Monetary Fund credit will be over and a positive decision will be taken by mid-August, which will automatically calm markets," said Bella Zlatkis, head of the Finance Ministry's securities and financial markets department.

"All their avenues are being blocked," said Kevin Arnold, managing director for fixed income at Moscow's MFK Renaissance investment bank. "The only thing left is Treasury bills." (Bloomberg, Reuters)

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Singapore Fears a Recession in 1999

Compiled by Our Staff From Dispatches

JAKARTA — More evidence of a deepening financial crisis in Asia surfaced Tuesday as Indonesia said it was in a recession and Singapore said it would probably slip into recession next year.

Indonesia's gross domestic product shrank 16.54 percent in the second quarter, after falling 6.2 percent in the first quarter. It was the first recession in more than 30 years for the world's fourth most-populous country.

In Singapore, Prime Minister Goh Chok Tong said he saw a "fairly high" possibility of recession next year. A week ago, Singapore cut its growth forecast for 1998 to between 0.5 and 1.5 percent from 2.5 to 4.5 percent because of the Asian economic crisis. But Mr.

Goh said he was confident Singapore would pull through the crisis. "We are tackling our problems with resolve and quiet confidence, while bracing ourselves for tough times ahead," he said.

Nonetheless, Singapore's benchmark Straits Times stock index ended down 1.09 percent, at 1,115.18 points. Indonesia's Bureau of Statistics said it was likely that GDP would fall by 13.06 percent this year.

The World Bank said Tuesday that Indonesia was facing an economic crisis unprecedented in postwar history and would face more hardship unless all sections of society rallied around its economic reforms.

Jean-Michel Severino, the World

Bank's vice president for East Asia and the Pacific, said, "If political consensus is not created around the economic program, the economic situation will deteriorate even further." (Reuters, Bloomberg)

IMF Seeks Advice of Analysts

The International Monetary Fund is asking market analysts to suggest the type of economic data that central banks should disclose to help avoid surprises like those that led to the Asian financial crisis, Reuters reported from New York.

The financial crisis that enveloped almost all of Asia took rating agencies, international institutions and the markets alike by surprise.

CURRENCY & INTEREST RATES

July 7									
Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	DK	Nor
Australia	2.05	1.35	1.74	1.35	1.07	1.38	1.38	1.38	1.38
Canada	0.71	0.47	0.62	0.47	0.36	0.47	0.47	0.47	0.47
France	1.63	1.04	1.36	1.04	0.80	1.04	1.04	1.04	1.04
Germany	1.63	1.04	1.36	1.04	0.80	1.04	1.04	1.04	1.04
Italy	1.93	1.24	1.61	1.24	0.94	1.24	1.24	1.24	1.24
Japan	1.07	0.68	0.89	0.68	1.00	0.89	0.89	0.89	0.89
Netherlands	1.63	1.04	1.36	1.04	0.80	1.04	1.04	1.04	1.04
Spain	1.63	1.04	1.36	1.04	0.80	1.04	1.04	1.04	1.04
Sweden	1.63	1.04	1.36	1.04	0.80	1.04	1.04	1.04	1.04
Switzerland	1.63	1.04	1.36	1.04	0.80	1.04	1.04	1.04	1.04
UK	0.71	0.47	0.62	0.47	0.36	0.47	0.47	0.47	0.47
US Dollar	1.00	0.71	0.93	0.71	0.54	0.71	0.71	0.71	0.71
Other Dollar Values									
Australian dollar	0.69	0.45	0.59	0.45	0.34	0.59	0.59	0.59	0.59
Canadian dollar	0.71	0.47	0.62	0.47	0.36	0.47	0.47	0.47	0.47
Chinese yuan	8.27	5.31	7.00	5.31	4.00	7.00	7.00	7.00	7.00
Japanese yen	107	68	89	68	100	89	89	89	89
South Korean won	200	125	163	125	100	163	163	163	163
Taiwan dollar	24	15	20	15	10	20	20	20	20
Thai baht	55	34	45	34	25	45	45	45	45
US Dollar	1.00	0.71	0.93	0.71	0.54	0.71	0.71	0.71	0.71
Libid-Libor Rates									
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Key Money Rates									
US Dollar	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Forward Rates									
30-day	1.33	0.86	1.12	0.86	0.65	1.12	1.12	1.12	1.12
90-day	1.33	0.86	1.12	0.86	0.65	1.12	1.12	1.12	1.12
180-day	1.33	0.86	1.12	0.86	0.65	1.12	1.12	1.12	1.12
360-day	1.33	0.86	1.12	0.86	0.65	1.12	1.12	1.12	1.12

EUROPE

Top British Aerospace Executive Defects to Rival GEC

Compiled by Our Staff From Dispatches

LONDON — Michael Donovan, a senior executive at British Aerospace PLC, the largest weapons maker in Europe, has left to join a rival military contractor, General Electric Co. of Britain, GEC said Tuesday.

Mr. Donovan, 45, headed British Aerospace Defense Ltd., which includes a number of military sub-

sidaries and joint ventures that are separate from the company's commercial aircraft operations, which include participation in the Airbus consortium.

GEC declined to give further details of Mr. Donovan's appointment. "We will make an announcement about his future role in due course," a spokesman said.

Industry sources said Mr. Donovan had been recruited to run GEC's Industrial Electronics division in the United States.

British Aerospace and GEC are often cited by analysts as possible merger candidates as the European arms industry moves toward further consolidation in the face of increasing competition from U.S. companies.

British Aerospace shares closed up 4 pence at 490 pence (58.03). GEC's shares rose 3 pence to 558 pence.

Mr. Donovan had been appointed one of four group managing directors at British Aerospace only last month.

"The company thanks Mike for his contribution and his enthusiasm and commitment and wishes him well in his new career," a British Aerospace spokesman said.

Mr. Donovan joined British Aerospace in 1994 from Rolls-Royce Motor Cars to become chief executive of the Avro regional jets business. He was promoted to chief executive of British Aerospace's entire regional aircraft division in 1996, and was moved up again at the beginning of this year to take charge of the growing Defense Systems business. (Bloomberg, Reuters)

bolstered 1997-98 earnings per share by about 15 percent, the statement added.

Analysis has been awaiting a buyback of state-owned shares since KLM cashed in 1.6 billion guilders on the sale of its remaining equity stake in Northwest Airlines, its U.S. partner, earlier this year.

KLM shares, which had been suspended pending the announcement, jumped to a high of 92.50 guilders, when trading resumed. They closed at 91.40, up 5.90.

Under the deal, the Dutch state will still hold 11.75 million Class A preference shares and 1,300 priority shares, giving it just under 15 percent of the voting rights.

Under a clause designed to protect Dutch commercial aviation, the state retains the right to regain control of the carrier by subscribing to specially issued B preference shares. (Reuters, AP)

Set to become final on Aug. 14, the transaction would have

Requirement Set for Bank Reserves

Bloomberg News

FRANKFURT — The European Central Bank has decided to require minimum reserves from commercial banks, the head of Luxembourg's central bank said Tuesday. The move will help steer interest rates and the money supply for the 11 countries starting a common currency next year.

"A decision on minimum reserves has been made," said Yves Mersch of Luxembourg, who is left the monthly meeting of the governing council of the European Central Bank. "The ratio will be low. Otherwise I would not be smiling."

The specifics of the reserves system are expected to be announced Wednesday by the central bank's president, Wim Duisenberg.

Under a minimum reserves system, banks are obliged to set aside a certain sum at the central bank each month, a requirement that helps the central bank keep tabs on bank lending and fine-tune the amount of money in the money market. A de-

cision in favor of minimum reserves will also be seen as a victory for the German Bundesbank, which has persistently lobbied for the system.

"A minimum reserves system is a very flexible and very effective instrument," said Eckhard Schulte, an economist at Industrial Bank of Japan. "I think they will opt for a small, interest-bearing system, which is a sensible compromise."

In Germany, banks are not paid

interest for deposits lodged at the central bank. But the European Central Bank is expected to pay interest on the reserves because otherwise the commercial banks would have to charge higher interest rates for lending funds.

Central banks where reserves requirements are high, making commercial banks less competitive, have been moving recently toward a unified European system.

Metro to Sell Its Vobis Computer Unit

Bloomberg News

COLOGNE — Metro AG, Europe's largest retailer, agreed Tuesday to sell its Vobis AG computer business to Miami-based CHS Electronics Inc. for 1.2 billion Deutsche marks (\$662 million) in cash and assumed debt.

CHS will pay 587 million DM in cash to buy Vobis and its Maxdata GmbH and Peacock AG computer wholesaling units. Along with assumed debt, the transaction is worth 1.2 billion DM, Metro said.

Though Vobis is Europe's largest computer retailer, pretax profit slumped 19.6 percent last year as computers increasingly became a commodity available even in supermarkets, reducing the appeal of specialty computer shops and destroying profit margins. Vobis has 820 outlets in 11 European countries, with 340 branches in Germany.

CHS, a private company, is owned by a group of investors including the U.S. investment bank, Citicorp. CHS has 1.2 billion DM in cash and assumed debt. The transaction is worth 1.2 billion DM, Metro said.

KLM Agrees to Buy Back State-Held Common Stock

Compiled by Our Staff From Dispatches

AMSTERDAM — KLM Royal Dutch Airlines, the flag carrier of the Netherlands, said Tuesday it was buying back the government's entire remaining holding of common shares in a transaction valued at 1 billion to 1.2 billion guilders (\$490 million to \$588 million).

KLM plans to buy back 8.47 million common shares from the Dutch government, cutting the state's voting stake in the national carrier from 25 percent to just under 15 percent.

The long-awaited deal, which also includes the buyback of non-voting shares held by a staff pension fund, will reduce the number of common shares outstanding by about 18 percent, KLM and the Dutch government said in a joint announcement.

Set to become final on Aug. 14, the transaction would have

bolstered 1997-98 earnings per share by about 15 percent, the statement added.

Analysis has been awaiting a buyback of state-owned shares since KLM cashed in 1.6 billion guilders on the sale of its remaining equity stake in Northwest Airlines, its U.S. partner, earlier this year.

KLM shares, which had been suspended pending the announcement, jumped to a high of 92.50 guilders, when trading resumed. They closed at 91.40, up 5.90.

Under the deal, the Dutch state will still hold 11.75 million Class A preference shares and 1,300 priority shares, giving it just under 15 percent of the voting rights.

Under a clause designed to protect Dutch commercial aviation, the state retains the right to regain control of the carrier by subscribing to specially issued B preference shares. (Reuters, AP)

WORLD STOCK MARKETS

Tuesday, July 7

Dollars prices in local currencies

Tulsa, Okla.

High Low Close Prev.

Amsterdam

AEX index: 1245.23

Previous: 1241.73

ABN-AMRO

49.00 48.40 48.40 48.40

Adair

187.50 184.10 184.10 184.10

Alcoa

67.10 66.40 66.40 66.40

Alcoa Ind.

114.00 112.00 112.00 112.00

ASML

61.00 59.40 59.40 59.40

ASR

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Beaumont

84.70 83.00 83.00 83.00

Bois West

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Cap Gemini

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High Low Close Prev.

Frankfurt

DAX index: 3948.98

Previous: 3918.37

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Adair

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Alcoa

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Alcoa Ind.

114.00 112.00 112.00 112.00

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174.70 173.00 173.00 173.00

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High Low Close Prev.

Johannesburg

All Share index

The 2,600 most traded stocks of the day.
 Nationwide prices not reflecting late trades elsewhere.
 The Associated Press

Continued on Page 19

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Tuesday's 4 P.M.

ABC

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Page	Stock	Do	Yd	Pr	Lot	Label	On
1	1000	1000	1000	1000	1000	1000	1000
2	1000	1000	1000	1000	1000	1000	1000
3	1000	1000	1000	1000	1000	1000	1000
4	1000	1000	1000	1000	1000	1000	1000
5	1000	1000	1000	1000	1000	1000	1000
6	1000	1000	1000	1000	1000	1000	1000
7	1000	1000	1000	1000	1000	1000	1000
8	1000	1000	1000	1000	1000	1000	1000
9	1000	1000	1000	1000	1000	1000	1000
10	1000	1000	1000	1000	1000	1000	1000
11	1000	1000	1000	1000	1000	1000	1000
12	1000	1000	1000	1000	1000	1000	1000
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Tuesday's 4 P.M. Close

(Continued)

12 Month		New Stock		Div Yld		52 Wk High		Low		Last		Change	
1536	1734	104	HP	82	5.7	90	507	149	146	146	146	+10	
1540	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1541	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1542	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1543	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1544	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1545	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1546	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1547	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1548	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1549	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1550	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1551	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1552	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1553	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1554	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1555	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1556	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1557	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1558	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1559	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1560	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1561	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1562	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1563	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1564	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1565	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1566	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1567	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1568	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1569	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1570	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1571	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1572	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1573	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1574	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	
1575	1114	104	HP	82	5.7	90	507	149	146	146	146	+10	

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ASIA/PACIFIC

Sanwa to Shut Down U.S. Bond Brokerage

Compiled by Our Staff From Dispatches

TOKYO — Sanwa Bank Ltd. said Tuesday it would shut its U.S. Treasury bond business this year and give up its primary dealer status within weeks, as it moves funds into more profitable ventures.

The bank said the closure of primary dealer Sanwa Securities (U.S.A.) Co. would not affect its consolidated earnings in the year ending in March 1999, because the costs related to liquidation are small.

Sanwa Bank said the move was prompted by a decision to pull out of the less profitable U.S. Treasury business and put more resources into its money-making derivatives business and continue to engage in futures-related activities.

"We're withdrawing from businesses with low profitability, so we can increase our return on equity," said Haruhiko Kimura, a Sanwa spokesman.

The shutdown comes as Japanese lenders such as Sanwa and Sumitomo Bank Ltd. trim and reorganize overseas activities to bolster their bottom lines.

Sanwa Bank said in April it would close seven offices and sub-

sidaries in the United States as well as Central and South America, while Sumitomo Bank in March sold its California unit to Zions Bancorporation.

Sanwa, which like most of Japan's nine biggest commercial lenders lost money in the last business year, hopes to bolster its return on equity to 8 percent over the next two years. Sanwa had return on equity of 2.54 percent in the year ended March 1997.

Sanwa's subsidiary is one of 33 securities firms designated as primary dealers by the U.S. Federal Reserve.

Sanwa Securities has maintained adequate capital for an orderly closure of its business, it said. The bank's only U.S. brokerage, it is capitalized at \$149.8 million with a staff of 140.

The bank said its U.S. brokerage would not engage in any new business and has enough capital to close outstanding positions. Mr. Kimura declined to say how much the securities unit handles in U.S. bonds.

Sanwa shares rose 25 yen to 1,300 on Tuesday. The bank released the statement after the end of stock trading. (Bloomberg, Reuters)



Katsunari Suzuki, Japan's ambassador to Hanoi, bowing Tuesday as he was greeted by Mr. Khai.

Hanoi's Red Tape Vexes Oil Firms

The Associated Press

HANOI — Vietnam's red tape and high taxes are encouraging businessmen to look elsewhere for opportunities, foreign oil and gas companies told Prime Minister Phan Van Khai on Tuesday.

As Mr. Khai, other government officials and diplomats listened intently, they listed a litany of problems that they said had cut exploration to a trickle even as the country seeks more investment to ease the impact of the Asian economic crisis.

In 1992, about 40 exploratory wells were in development. Only a handful are in the pipeline today as the number of new licenses has

shrunk. Amoco and Texaco are among those who have pulled out. Others have increasing trouble justifying their efforts as other parts of the world clamor for investment.

"You are competing for a limited pool of resources," said Steve Parf of Chevron.

The U.S. ambassador, Pete Peterson, said that Vietnam had a "closing window of opportunity if the climate is not improved."

"It's a troubled industry," he said. "Millions of dollars have been invested and very few dollars, in return, have been made. That cannot continue."

The bureaucratic tangle — con-

flicting laws, customs delays and other red tape — was a regular complaint. Mr. Khai was sympathetic.

"The documents and regulations are mounting up," he said. "We need to reduce their number. It will take us to the end of the year."

While the oil officials were happy to hear promises that things are getting better, this was the third time that Mr. Khai has met with foreign investors this year, and the investors are becoming impatient.

They were optimistic after the earlier meetings. Now, they said, the proof of the government's commitment will be in actions.

Ford to Buy Lion's Share of India Venture

Bloomberg News

CHENNAI, India — Ford Motor Co., the world's second-largest automaker, said Tuesday it would spend \$182 million to acquire almost all of a joint venture with its Indian partner to capitalize on an expected growth of the country's auto market.

"In a country of about a billion people, less than one million new cars were sold in 1997," said Tom Hoyt, a Ford spokesman. "So we do think that the Indian economy is one that will grow in the future. Analysts expect it to take off at any time."

The transaction will increase Ford's stake in the venture with Mahindra & Mahindra Ltd. to 92 percent from 50 percent.

Mahindra said in March it would reduce its portion in the \$400 million venture, called Mahindra Ford India Ltd., and invest in its own line

of utility vehicles.

Ford joins a string of foreign companies that have in recent years increased their equity holdings in Indian joint ventures, including Daewoo Corp. of South Korea, which raised its stake in its joint venture with DCM Ltd. in 1997. That joint venture makes Ceilo model cars.

Similarly, Whirlpool Corp. of the United States increased its stake in its joint venture with Kelvinator of India Ltd. to make refrigerators in

1997. The foreign companies were able to increase their stakes when the local partners could not come up with the capital needed for expansion and modernization of the manufacturing facilities.

Ford's investment was among 66 foreign investment proposals worth \$2.7 billion rupees (\$1.01 billion), approved by the government Monday. Ford's venture has produced European-designed Escort cars at a Mahindra-owned factory in western Maharashtra state since 1996.

BARDEN: Black U.S. Executive and Michael Jackson Take On Namibia

Continued from Page 15

country began in 1989, when he held a cocktail party at his home for the ambassador of the South West Africa People's Organization, the movement fighting to liberate the country from South African rule. The movement succeeded in 1990, and six years later he invited President Sam Nujoma to Detroit and arranged a tour of a General Motors plant. GM was looking for a route back into southern Africa, and Namibia was interested — but only if it got an assembly plant. The market was too small for GM to bother with, but Mr. Barden suggested splitting the difference: If the Namibian government would buy 800 GM vehicles through him, he would build a plant to convert them to right-hand drive.

That appealed perfectly to one of the pet peeves of Mr. Nujoma, a sometimes cranky, sometimes jovial former guerrilla: his resentment of South Africa. White rule is gone, but South African corporations still dominate the regional customs union, and the high tariffs set to protect their Volkswagen, BMW, Mercedes and Toyota local assembly plants make cars in the whole subregion very pricey.

Kano Audley Smith, managing director of the Namibian Barden operations, said he

could import GM cars, pay the duty, convert them and still charge \$1,000 to \$18,000 less than a comparable model from South Africa. "If they were to price their vehicles realistically, we'd be in trouble," he said.

When a reporter questioned the deal with Mr. Barden at a recent news conference, Mr. Nujoma cut her off, saying testily: "We want American products, not ones from those whites in South Africa. We don't want to give our money back to white colonialists. The cars are cheaper, too — you can go check."

About 125 pickups, police cars and school buses have already been delivered.

Mr. Barden says he has spent about \$16 million to put together the Windhoek plant and in train workers. But the car operation is merely a foot in the African door, he says. He and Mr. Jackson envision "investments eventually in the hundreds of millions," and are particularly looking for casinos, resorts and theme parks. South Africa's three major cities are granting casino licenses right now.

"We'll go 50-50 on everything," said Mr. Jackson.

Mr. Jackson and Mr. Barden were a little vague on how that would help children, but Mr. Barden recovered, saying, "If you're involved in creating wealth, it puts you in a

position to help the world."

Because Mr. Jackson is a role model, he added, his focusing on business would encourage children to grow up and do the same, leading to economic empowerment.

And there is no disputing, for all the controversy that has surrounded Michael Jackson, that he is indeed a role model for children. The crowds that came out to see him even in tiny Namibia were bigger than any crowds here ever before.

Mr. Barden said their next investment would be warehouses in a new tax-free zone on the Angolan border. Namibia may be tiny, but there are millions of people in Angola, the former Zaire and western Zambia with little access in goods because roads in central Africa are atrocious.

Asked if he was crazy to seek out these markets — Zaire had a fierce civil war last year and a low-intensity war in Angola has dragged on for 24 years — Mr. Barden said: "You think that if they have a civil war, they're going to stop coming across the border to buy goods? They still have to have food, mattresses, shoes, refrigerators and beer, don't they? And they pay in diamonds — that is, they pay in cash they got from diamonds. In U.S. dollars. That's pretty attractive."

Nissan Diesel: No Deal

Report of Daimler Link Is Called Premature

Compiled by Our Staff From Dispatches

TOKYO — Nissan Diesel Motor Co. said Tuesday that it had no plans to supply newly developed fuel-efficient diesel engines to Daimler-Benz AG, but it did not rule out a link-up with the German automaker.

The Nihon Keizai Shimbun reported on Tuesday that Nissan Diesel would supply the direct-injection diesel engine, called the ZD engine, to Daimler-Benz as early as 1999.

"We have not decided anything on possible tie-ups with Daimler-Benz," a Nissan Diesel spokesman said. "We want to sell the new engine to other automobile makers but have no plans yet to supply the engine to Daimler."

Still, the report sparked a rise in Nissan Diesel's share price, to 372 yen (\$2.65), up 80 yen. The price has risen 232 percent since May 8, when reports first said Nissan Motor Co. was thinking about selling its 39.8 percent stake in the truckmaker to Daimler.

"A stable supply of engines would help their earnings," said Shigeo Kikuchi, manager in the equities department of Takagi Securities Co. The fuel-efficient, direct-injection diesel is expected to be used in Nissan Motor's sport-utility vehicle, which will be remodeled soon, industry sources said.

Analysts said it was unlikely that the latest reported development in the talks, which began last fall, would accelerate a final agreement with Daimler. They also said Nissan Diesel's share price would probably make Daimler more cautious about buying a stake.

"You don't need a capital stake for a good cooperation," said Christian Breitsprecher, an analyst at HSBC Trinkaus.

The two companies said last month that they were discussing jointly developing a small commer-

cial truck, cooperating on parts supplies and the possibility that Daimler might take an equity stake in Nissan Diesel. But talks have been stalled since Daimler announced plans this spring to buy Chrysler Corp. Daimler said last week that it did not expect a final agreement with Nissan Diesel until the end of the year.

Separately, Nissan Diesel said it was considering temporary layoffs at its truck production lines because of poor domestic demand for heavy trucks. (Reuters, AFP, Bloomberg)

■ Australian Phase-Out

An influx of relatively inexpensive vehicles from South Korea has compelled Toyota Motor Corp. in abandom production of the last locally assembled small car in Australia, Agence France-Presse reported from Sydney.

Toyota, the Japanese car giant, will phase out Australian production of the model, the Corolla, by the end of 1999, a Toyota spokesman said.

Marcos Ally at San Miguel

Compiled by Our Staff From Dispatches

MANILA — Eduardo Cojuangco, an ally of the late President Ferdinand Marcos, regained the helm of San Miguel Corp. on Tuesday, 12 years after being away from the Philippines' largest food and drinks company.

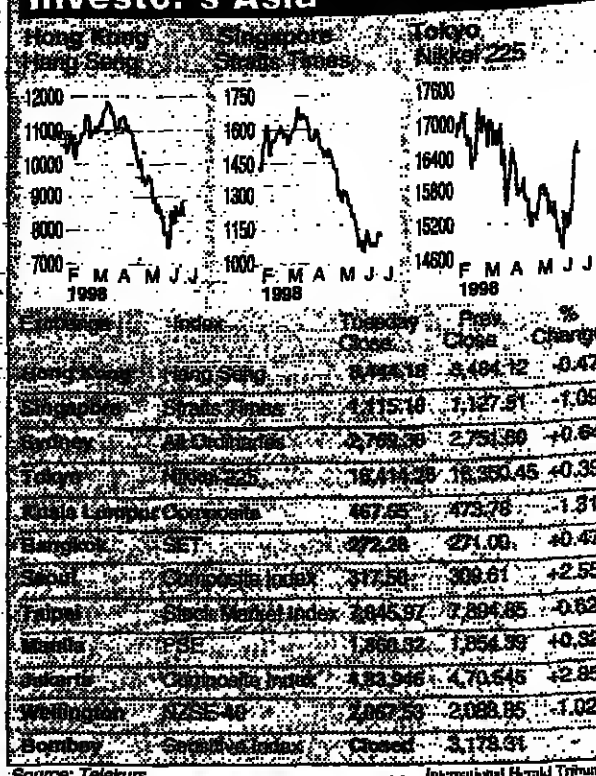
In a board meeting, Mr. Cojuangco, also a close associate of the new Philippine president, Joseph Estrada, was elected chairman and chief executive officer, replacing Andres Soriano 3d, who resigned Friday. The president denied any involvement in Mr. Cojuangco's return.

Mr. Cojuangco was chairman of San Miguel until he fled overseas with his patron following a popular revolt that ended in 1986.

The government then sequestered a 47 percent block of San Miguel shares, alleging they were acquired with ill-gotten gains. Mr. Cojuangco this year succeeded in legal efforts to regain control of 20 percent of the shares.

San Miguel has not sold stock since the government seized the stake in 1986, and investors see Mr. Cojuangco's comeback as a chance to resolve the dispute. (Bloomberg, AFP)

Investor's Asia



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A\$ - Australian Dollar; A\$ - Australian Shilling; BF - Belgian Franc; C\$ - Canadian Dollar; D\$ - Deutsche Mark; £ - Pound Sterling; F\$ - French Franc; FF - French Mark; H\$ - Hong Kong Dollar; I\$ - Italian Lira; J\$ - Japanese Yen; L\$ - Lithuanian Pound; M\$ - Mexican Peso; N\$ - New Zealand Dollar; P\$ - Philippine Peso; R\$ - Real; S\$ - Singapore Dollar; SF - Swiss Franc; S\$ - Swedish Krona; THB - Thai Baht; Y\$ - Yaw

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WORLD ROUNDUP

Clean Drug Test

SOCCER Doping tests were carried out on 240 players at the first 60 matches of the World Cup and none were found positive for illegal substances, FIFA's medical committee announced Tuesday.

"There were 240 tests and 240 negative results," Dr. Lars Peterson of Sweden, a medical committee member, announced.

"This is not a victory," he said. "We still have four matches left."

The medical committee said that of all major sports, soccer has by far the lowest incidence of illegal drug use. It attributed this primarily to the "collective" aspect of a team sport that condemns performance-enhancing substances. (Reuters)

West Heads Northwest

SOCCER Liverpool of the English Premier League said Tuesday that it had agreed to buy Taribo West, the Nigerian World Cup defender, from Inter Milan.

The 24-year-old was expected in Liverpool by Wednesday to discuss personal terms with Roy Evans, the team manager.

David Platt, the former England international, announced his retirement as a player Tuesday. The 32-year-old Arsenal midfielder, who played 62 times for England, said he was preparing himself for a career as a manager.

Toni Polster, the 34-year-old Austrian striker, has joined the German club Borussia Mönchengladbach from relegated Cologne. (Reuters)

Falcons Sign DeBerg, 44

FOOTBALL The Atlanta Falcons signed Steve DeBerg, a 44-year-old quarterback who has not played in the NFL in five years, in case Mark Rypien, the backup quarterback, sits out the season because of illness in his family.

DeBerg was signed Monday to a one-year deal. Terms were not disclosed. DeBerg was the New York Giants' quarterback coach for two seasons under the current Falcon coach, Dan Reeves. His last NFL action was in 1993, when he played three games for Tampa Bay and another five for Miami.

Rypien's 2-year-old son, Andrew, has undergone two operations for brain cancer. His wife, Annette, has also experienced health problems recently.

Reeves said Monday that Rypien was "trying to figure out what's best for his family."

The Oakland Raiders signed Wade Wilson on Monday. Wilson, a 17-year veteran quarterback, spent the last three years with the Dallas Cowboys. (AP)

Krupp Joins Red Wings

ICE HOCKEY Two years after scoring the biggest goal in Colorado Avalanche history, Uwe Krupp will be playing for their heated rivals, Krupp, who scored the overtime goal that gave the Colorado Avalanche the 1996 Stanley Cup, signed a four-year contract with the Stanley Cup champion Detroit Red Wings. (AP)

Sunday Policy Reviewed

COLLEGE The NCAA, which runs U.S. college sports, will have to review its decision that requires schools to play or forfeit Sunday games.

A total of 97 schools joined Mormon-owned Brigham Young and Campbell (North Carolina) — a school with strong Baptist ties — in calling for a review of the board's April decision to eliminate the so-called BYU Rule, which allowed the NCAA to adjust schedules and accommodate schools that object to Sunday competition.

The group comfortably gained enough votes to force the NCAA to review the policy, but fell one vote short of the total needed to force the NCAA to drop it without review. (AP)

Sailor Breaks Record

SAILING The French yachtsman Christophe Augin smashed the record for a trans-Atlantic crossing by a mono-hull yacht Tuesday when he completed the journey from New York to Lizard Point in England in 9 days 22 hours 59 minutes 30 seconds. His yacht, "Geodis," broke the record of 11 days 13:22:58 set by Sweden's Ludde Ingvall in 1997. (AFP)



The Brazilian striker Ronaldo, right, sprinting toward the goal watched by Frank de Boer, the Dutch captain.

CUP: Brazil Beats the Netherlands in Shoot-Out to Reach Final

Continued from Page 1

to take a penalty kick, Philip Cocu, by diving to his left. That preserved Brazil's 3-2 advantage, and after the Brazilian captain, Dunga, beat Dutch goalkeeper Edwin Van der Sar to make it 4-2, Taffarel dived to his right to stop Ronald de Boer's next attempt.

There had been no shortage of opportunities to settle the game the traditional way, most of them created by or presented to the two strikers who scored the only goals in regulation: Patrick Kluivert of the Netherlands and Ronaldo of Brazil.

Both would come within centimeters of sending their teams into the final in the first 15-minute overtime period. But in the 93d minute, Dutch captain Frank de Boer headed away a ball on the line that Ronaldo had kicked backwards over his head toward an open goal. One minute later Ronaldo launched a right-footed shot that forced Dutch goalkeeper Edwin Van der Sar to use all of his considerable wingspan to deflect as he

dived to his left. Kluivert's chance would come in the 102d, when his left-footed shot sailed just past the far post.

The Dutch had saved themselves in the dying minutes of regulation time for the third time in the tournament. Frank de Boer crossed the ball into the Brazilian penalty area from the right wing in the 86th minute with the Dutch trailing, to a 46th minute goal by Ronaldo.

Kluivert had had other opportunities with his head in this match and failed to convert. He again rose unmarked, and this time his header eluded the outstretched left arm of Taffarel to tie the game. It proved a brief reprieve for the Dutch.

Ronaldo, who had scored the Brazilian goal, had come perilously close to giving Brazil a 2-0 lead after that. In the 72d minute, Rivaldo struck a lovely through ball that Ronaldo chased down as the Dutch furiously and vainly yelled for an offside call. It never came, and Dutchman Edgar Davids made up lost meters as he chased Ronaldo down from behind. As Ronaldo prepared to shoot,

Davids made light contact from behind sending him sprawling. The ball drifted just past the right post.

Ronaldo had grasped a similar chance in the opening seconds of the second half. Rivaldo played a long, curling ball through the Dutch defense that Ronaldo took in full stride.

Philip Cocu, normally a midfielder but forced to play left back, got a hand on the Brazilian striker's jersey, but it takes more than that to slow down a player with legs as powerful as Ronaldo's. Cocu should know. He used to play with Ronaldo at PSV Eindhoven in the Dutch first division, and the two remain friends, but that did not get in the way of Ronaldo's fourth goal of this World Cup. Van der Sar came off his line, and in one fluid motion Ronaldo struck the ball underneath the towering keeper.

What a change a minute can make. At the end of the first half, there were boos as the teams walked off the field. Most of the jeers came from the yellow-clad Brazilian fans, unhappy with their team's lack of offensive rhythm.

Gallic Shrug Gives Way to Fanaticism

New York Times Service

PARIS — A strange thing has happened on the way to the World Cup final: this fractious country, never in agreement about anything, eternally divided, deeply skeptical, has united around a soccer team that is now lauded by workers, women and even intellectuals.

The World Cup had been approached with the usual grumbling. There was the cost, \$433 million for the main stadium alone. There were the predictable Left Bank comments about the inanity of 11 grown men chasing a ball. And there were the dismal pre-tournament showings of the French team, confirmation, if any were needed, that an early exit was inevitable.

There was also something deeper. This is a country that has traditionally been touched by the individual endurance of the Tour de France bicycle race, by the rugged splendor of rugby and by the grace and elegance of the Roland Garros tennis tournament. As for "le foot," it was foolish.

But a shift has occurred, flexing perhaps, remarkable without doubt. In the place of the dismissive "bof," accompanied by Gallic shrug, a wave of enthusiasm has engulfed the French as their team, on home ground, has reached the semifinal, a stage it has reached on three previous occasions only to be eliminated.

This time, says Aime Jacquet, the villain-turned-hero who coaches the team, "we are going all the way."

Just how far France does go will be decided in Wednesday's semifinal against Croatia. Meanwhile, the team has already become the na-

Vantage Point/ROGER COHEN

beat symbol of a country that is experiencing sturdy economic growth for the first time in years and appears to be emerging from a protracted bout of the blues.

During the quarterfinal match against Italy last Friday, played at 4:30 P.M., the country shut down. Renault and Citroen plants were closed. The employees of the Ministry of Solidarity and Employment sat watching the match on a large screen with their minister, Martine Aubry. Cafés were full of cheering fans. When the game was won in a penalty shoot-out, the Champs Elysees became the scene of joyous mayhem.

"I was not too enthusiastic at first, but then this strange fever grabs you," said Frederique Chevalier, who works for an airline company. "There is a strange atmosphere at the moment."

Surveys suggest that wom-

en like Madame Chevalier have by no means shunned the World Cup, as expected before the tournament started. A majority of women have seen at least four, according to media research centers.

With such enthusiasm prevailing, and jobs even being created, it was only natural that "le foot" would suddenly be elevated to the realm of political debate.

"I salute the unity of a team representative of French diversity," Lionel Jospin, the Socialist prime minister, said. Referring to the sons of North African immigrants known as "beurs," he added, "When I see blacks and beurs, with the French flag, singing the Marseillaise, I find that these are timely images."

France has been deeply concerned for some time with the apparent fragmentation of its republican ideal, the model that allowed generations of Portuguese, Italian and other

immigrants to be transformed into patriotic French citizens largely through an excellent public school system. High unemployment and the spread of bleak suburbs populated largely by out-of-work immigrants have dented this ideal.

But now there is a soccer team to suggest that integration still works in France. Zinedine Zidane, the star midfielder, is of Algerian descent. Marcel Desailly and Lilian Thuram, two members of a four-man defense that has conceded only one goal in five matches, are black. David Trezeguet, a striker, was born in Argentina. Youri Djorkaeff, another striker, is of Georgian origin. The contrast with the monochrome German and Italian teams had indeed been striking.

"This hybrid team thumbs its nose at the National Front," Francois Armanet wrote this week in the daily Liberation, referring to the xenophobic rightist party that takes about 15 percent of the French vote. "One can admire it without chauvinism. These players belong fully to the modern world."

Several decades ago, the French writer Albert Camus noted that "all I know about morality and the duties we all have, I owe to soccer." Until recent days, his was a voice in the wilderness, but France has found a new popular identity. If it can beat Croatia and reach its first ever final, who knows what may happen.

Already, Mr. Jospin has portrayed himself as "a mixture of the coach Jacquet and the midfielder Zidane."

For a graduate of France's elite National School of Administration, this must have been a first.



France's coach, Aime Jacquet, addressing press Tuesday.

France and Croatia: Both a Stride Away

High Expectations Ride With Each Side

By Rob Hughes
International Herald Tribune

PARIS — On Wednesday night, with the whole of France expectant — and, people here hope, on the brink of something grand — a little nation, Croatia, stands defiantly before it. The second semifinal of the World Cup will bring 80,000 spectators to the Stade de France, the streets across the country will empty, and everyone believes — expects, hopes — that Zinedine Zidane and his friends will at last fulfill the desire that was born in France when they invented the World Cup.

At least get *Les Bleus* to the final, is the feeling. It will never be closer — the territory, the ambition, the setting will

VANTAGE POINT

never be better primed for France to deliver. Yet Croatia, already beyond its dreams, is beginning to share the aspiration, to covet history for itself.

"We have now a chance of history," says Slaven Bilic, Croatia's English-based defender. "We, too, have never been closer, and may never be as close again to the World Cup final."

Say it in French, hear the echo in Croatian. Both teams, both nations are a stride away. The presidents, Jacques Chirac and Franjo Tudjman, will be there in the locker rooms, just in case the players have any doubts about the value of irrationally placed upon a game.

Let's be honest: This World Cup has stirred around the globe such sentiments of nationalism, such high expectation followed by, so far, 29 countries' wallowing in the letdown, that one wonders if we have anything real in our lives.

It used to be the Latin fans who filled the night air with klaxon horns and revelry at the slightest hint of World Cup success. Now it is all of us, supposedly European sophisticates and all, who spend off in mass outpourings of quite unnerving abandon.

On Wednesday, however, there is a team that really does represent its people. Almost five years ago, when Croatia was under fire, the soccer federation was asked to send its players abroad. Croatia needed foreign capital, and who these days fetches more liquid cash than soccer players? Croatia needed heroes, and who stands above Davor Suker or Zvonimir Boban in that spotlight?

Croatia needed soldiers of foreign fortune, but also symbols to show that its spirit was alive, its men were alive. Igor Stimac, another defender and another player of remarkable adaptability and skill, articulated this as the team celebrated its quarterfinal annihilation of Germany. "After what we've been through," he said, "there is nothing to be afraid of on green grass."

Nothing, unless you are French. The home side is expected to reach the final, expected to put aside Croatia, which, with a total population of 4.7 million

and with a country to rebuild, has a cheek turning up at Stade de France. France, after all, has shown at this tournament that in creativity, and even in defending, it is second best to no one.

But France is almost in apoplexy over its apparent inability to put the ball in the net against stern opponents. This may be the area in which its people on Wednesday crave someone like Croatia's Davor Suker, who is relishing the prospect of adding to his four goals. Suker, after a season of lousy fitness on the bench of Real Madrid, is fit, fresh and motivated.

Alongside him, lesser known but as elusive as the Pimpf, Goran Vlaovic is another goalscorer and has another mission. Two years ago, Vlaovic thought his soccer days were numbered when he entered a hospital for an operation to clear fluid from the brain. The surgery rejuvenated the spirit, and what, again, has a reprieved man to fear in the domain of a sports stadium?

As it happens, both these Croats face engaging examinations. Marcel Desailly, soon to move from AC Milan to Chelsea in London, is having a quite *magnifique* World Cup. Didier Deschamps, his national team captain, says Desailly is the best defender in this marathon event, and I offer no argument. He dominates opponents, squeezes their space and their time, and counterattacks as well.

Similarly, Lilian Thuram, a right-sided defender who also likes to maraud into attack, will have that license only if and when he manages to subdue Suker. The French coach, Aime Jacquet, is student enough of the game to know that Croatia possesses not only this dual cutting edge, but also performers who are technically at ease in all areas of the pitch.

He knew it, I'm sure, before Bert Vogts, the beaten German coach, pronounced that Croatia is similar to Yugoslavia in the arts of the game, but more rugged, more determined, more solid in defense. Indeed, statistics tell the story: In 10 games including this World Cup, Croatia has lost once, to Argentina, has won eight times, drawn the other game, and scored 24 goals while conceding five.

This doesn't add up to a conclusion that France will lose — not necessarily anyway, it is just a warning, a little nudge of the nervous system that grips the big guys when the great prize, greatly anticipated, is so unerringly close.

Zidane admitted this week that France was not exactly playing liberated football, but that winning is what counts.

He, and his president, would settle no doubt for another scoreless 90 minutes, and a penalty lottery *victoire*. Croatia, the smallest nation at this World Cup, might just raise the stakes and, by scoring, oblige the French to seek something more grandiose.

Rob Hughes is chief sports writer of The Times of London.

Blatter Attacks FIFA Panel For Ignoring Video Evidence

Compiled by Our Staff From Dispatches

PARIS — The controversy over refereeing at the World Cup is creating a public rift between Sepp Blatter, the president of FIFA, world soccer's governing body, and the panel that supervises referees at the World Cup.

Blatter complained Tuesday that FIFA's own disciplinary committee had rejected his suggestion that it view videos of two fouls. He also expressed unhappiness with the choice of referee for one of the semifinals.

Blatter said tapes showed blatant fouls by Dennis Bergkamp, the Dutch striker, and Said Chiba, a Moroccan player. In both cases the referees apparently did not see the fouls and did not award free kicks.

"Sure, I saw it," he said when asked if there was video proof of Bergkamp stomping on Sinisa Mihajlovic of Yugoslavia in a second-round match. Blatter said he also had seen videos showing Said Chiba planting his cleats in the left thigh of Ronaldo.

"In two cases, the FIFA president has drawn the presence of video evidence to their attention," Blatter said, referring to the disciplinary panel. "They said, 'No, it's not needed.' That's O.K. When you have a clean separation of the different powers in a body, that's their prerogative."

Blatter also seemed upset when it was pointed out that the referee in the Bergkamp incident, Jose Manuel Garcia of

Spain, was to handle the semifinal between France and Croatia.

"We'll take up this in assessing the World Cup," he said. "I will have a word with them, a very serious word." (AP, AFP)

Scores and Schedule

QUARTERFINALS	
JULY 3, MONDAY	
Brazil 2, Denmark 2	
Dominican 1, Romania 2, 40	
Denmark 2, Romania 2	
JULY 3, TUESDAY	
France 2, Italy 0	
France won 4-3 on penalty shoot-out	
JULY 4, WEDNESDAY	
Netherlands 2, Argentina 1	
Netherlands 1, Belgium 1	
Argentina 1, Belgium 1	
JULY 4, THURSDAY	
Croatia 2, Germany 0	
Croatia 1, Vietnam 0, Silver 0	
JULY 5, FRIDAY	
Brazil 1, Netherlands 1	
Brazil won 4-2 on penalty shoot-out	
JULY 6, SATURDAY	
France vs. Croatia	
THIRD PLACE	
JULY 11, MONDAY	
Leading semifinalists	
FINAL	
JULY 12, TUESDAY	

When matches are drawn after 90 minutes, teams start to play two 15-minute periods of extra time. If still a tie, a "golden goal" for the winner, which means the first goal scored in the 30 minutes, decides the match. If no goal is scored in the 30 minutes, the match is decided by a penalty shoot-out.

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SPORTS

Griffey Hears the Fans

Boos Shame Star Into Home Run Derby

By Thomas Boswell
Washington Post Service

DENVER — Baseball has changed. The game no longer belongs to the owners or the players' union or even to the players themselves. Thanks to the Strike of '94, and the sense of shame and heightened responsibility to the sport that has been reborn since then, it is possible that the game finally belongs to the fans once more. They are in the process of taking it back, demanding that their concerns come first.

Or that was certainly how it felt on Monday in Coors Field. It's about time.

Ken Griffey got the lesson. About 50,000 fans took him to the woodshed, gave him an old-fashioned public

has seen the error of his petulant ways. Griffey shaped up. Maybe it helped that Frank Robinson, a Hall of Famer, gave him an earful after the boos subsided.

Griffey decided the home run derby was a good idea after all. He went to the American League manager, Mike Hargrove, and said: Where do I sign up, Skipper?

"I don't like to be booed," said Griffey after he went out and — yes, you guessed it — won the home run contest with 19 blasts. "And this is not the time to be booed — at the All-Star Game."

"If they want to see me do the home run competition — the fans — that's 4 million reasons why I did it, for them," said Griffey, citing the number of balls punched for him around America.

For the record, Griffey even got some boos during the contest and very few cheers. His victory was greeted with the absolute minimum enthusiasm. Try something very near silence. The fans had made their point. Score one for the way things ought to be.

"No," said Griffey, confirming that he had never been booed that loud in his life. "I get a few boos on the road. But not like that."

Was Robinson, famous for his bluntness as a fiery clubhouse leader, instrumental in Griffey's change of heart? "That's what we talked about," said a subdued and obviously shamefaced Griffey. "You listen to those guys with those types of numbers and credentials."

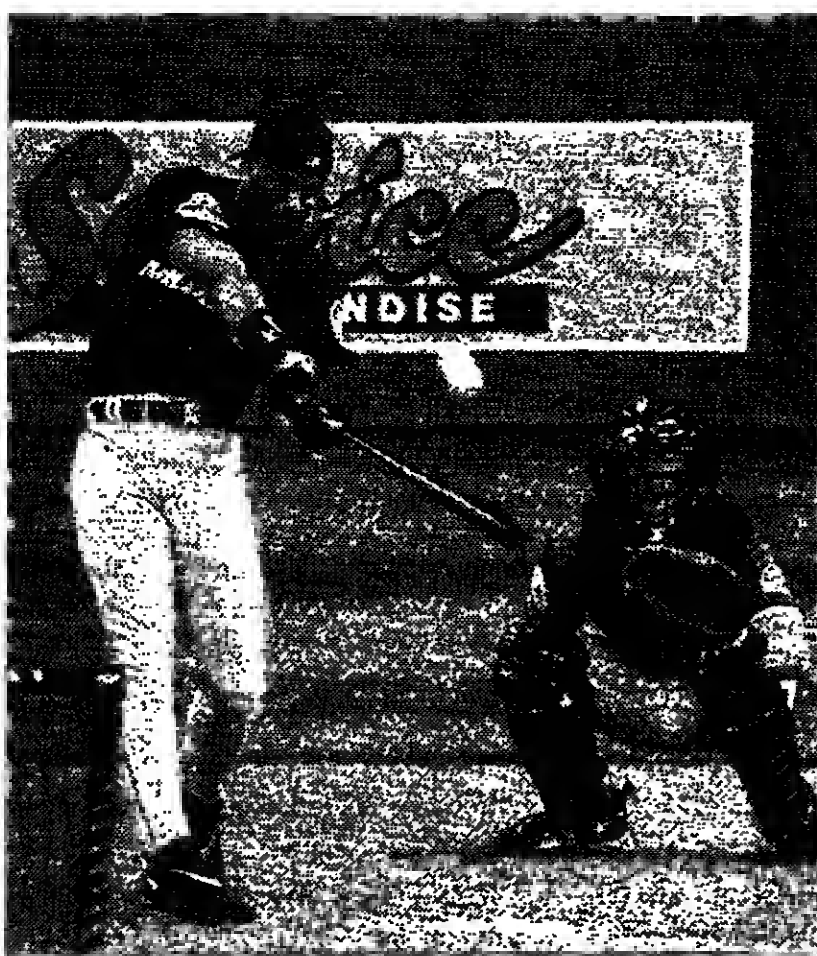
Next, Mark McGwire took his swings. (He managed only four homers in 14 swings, but did launch a monstrous blast to straightaway center that was estimated at 510 feet, the longest home run of the competition.)

"In '92, I accepted that I was a home run hitter in the game," he said. "It turns out the home run contest is probably the most fun thing in the All-Star Game. Why are some guys backing out? They have their own reasons. But I enjoy it."

"What I am doing, and what other great players are doing right now, is going to bring fans back to the game. I think. How we play the game, how we act, that's what's going to do it."

Perhaps Griffey Jr.'s example, ballplayers are signing more autographs and talking to more fans than they did before the strike. Perhaps he hadn't noticed that, for the sake of the game, McGwire has endured "feeling like an animal in a cage" because of the circus-like atmosphere that surrounds his batting practice sessions in every city.

But he found out. Griffey may be soft spoken, well-mannered, well-raised — somebody you would like. But he has also been a star since he was a child and sometimes it shows. That kind of behavior doesn't wash in baseball any more. And there's no better news than that — not even 62 homers — for the revived health of the game.



Ken Griffey Jr. launching a blast in the All-Star Game home run derby.

Sid Luckman, Football Star For Columbia and Bears, Dies

New York Times Service

NEW YORK — Sid Luckman, 81, the Columbia University star and quarterback of the great Chicago Bears teams of the 1940s who helped trigger a revolution in how the game of football was played, died Sunday at a hospital in Aventura, Florida, where he had lived.

Luckman, playing for George Halas, the owner and coach of the Bears, turned the modern T-formation into a formidable weapon and was inducted into the Pro Football Hall of Fame in 1965.

Bob Zupke, the great Illinois coach, once said of Luckman, "He was the smartest football player I ever saw, and that goes for college or pro."

Luckman was a much-publicized schoolboy at Erasmus Hall High School in Brooklyn. Highly recruited out of high school, he was signed at 40 college offers to play at Columbia, attracted by the dynamic Lou Little, the Lions' coach.

Luckman's All-America efforts for mediocre Columbia teams caught the eyes of the Bears' Halas, who had a plan that changed football forever.

Luckman was in the right place at

the right time as Halas introduced a modern version of the T-formation offense, which promoted passing and put emphasis on speed and deception in place of brute strength. The T-formation had existed years before Luckman came onto the scene, but it was the versatile quarterback who gave it such a thunderous impact on the game.

In 1940, the Bears won the NFL championship by routing the Washington Redskins, 73-0, in the title game. It was the greatest team ever assembled in the era of one-platoon football. It took World War II to break up the Monsters of the Midway. And Luckman was the field general throughout.

He was "another coach on the field," Halas said.

Luckman played for three other championship Chicago teams. In 1941, 1943 and 1946. Three times he led the league in touchdown passes, in 1943, 1945 and 1946.

Luckman took to stardom gracefully. He was a gentle, modest and thoughtful man who was immensely popular. After 12 seasons with the Bears, Luckman retired in 1950 but remained close to the team.

Pak Fights Back To Win Long U.S. Women's Open

By Clifton Brown
New York Times Service

KOHLER, Wisconsin — It finally ended on the 20th playoff hole. It was the longest U.S. Women's Open ever, and one of the most dramatic, a compelling championship duel between two remarkable 20-year-olds seeking their place in their sport's history. And while Se Ri Pak's victory firmly established her as a new force in women's golf, the performance of Jenny Chuasirporn, who nearly became the second amateur to win the Women's Open, was extraordinary in its own right.

Making an 18-foot birdie putt on the second hole of sudden death, Pak finally vanquished Chuasirporn to become the

GOLF

youngest Women's Open champion ever. After the winning putt dropped, breaking a tie at 2 over par through 19 playoff holes, the normally stoic Pak burst into tears, as her father ran onto the 11th green to embrace her.

The emotional victory lifted Pak, a South Korean who is the fourth straight foreign winner of the Open, into lefty company. Having won the McDonald's Ladies Professional Golf Association Championship in May, Pak became the first rookie to win two majors in the same year since Juli Inkster in 1984. Pak is the first woman to win back-to-back majors since Meg Mallon in 1991.

Asked if she thought she was the No. 1 player in the world, Pak laughed and said: "No, not yet. But good start."

Who could argue? In her rookie season on the LPGA Tour, Pak moved to fourth on the money list (\$525,170) with Monday's \$267,500 first-place check. With accurate driving, superb iron play and admirable cool under pressure, Pak has arrived as someone capable of winning major championships far more quickly than even she expected.

Pak did not start playing golf until 1989, but she developed rapidly, winning numerous tournaments in South Korea before moving to Orlando, Florida, last year to work with the renowned golf teacher David Leadbetter. Pak earned her tour card at qualifying school last fall.

There are times when Pak struggles to understand questions during interviews, but her command of English has improved greatly since last year. And when asked if winning two majors in the same year put her ahead of schedule, Pak gave an insightful answer. "My sponsor, they, like, really surprised," she said. "Maybe they get me more money."

Chuasirporn, meanwhile, who will turn 21 on Thursday, delivered an admirable performance, nearly joining Catherine Lacoste, won the Open as an amateur in 1967. Chuasirporn, whose parents are originally from Thailand, is

entering her final year at Duke University. She was gracious in defeat, but she will remember two key miscues from Monday: a triple bogey on No. 6 when led by four strokes, and a missed 15-foot putt for par on No. 18 that could have won the championship.

"I really felt it slip away there," she said of her putt for par at No. 18. "I thought I was going to do it there."

"This is just another thing to build my game and my confidence. I am pretty satisfied with the way I handled it. I guess I really feel like I am going to win one, so I am really not too disappointed."

Pak survived 92 holes of grueling golf — four 18-hole rounds, an 18-hole playoff and two sudden-death holes — on a challenging Blackwolf Run course. On Monday, she overcame a four-stroke deficit after five holes, as well as a poor tee shot on the par-4 18th hole that forced her to remove her socks and shoes and hit her second shot off a steep bank while standing in a water hazard.

Chuasirporn had a 15-foot putt at that hole for victory, but it slid past the hole. "I thought I had that putt, but my hands were shaking a lot," she said.

Both players made par at the first sudden death hole, the par-5, No. 10. But at the par-4, No. 11, it finally ended. After both players reached the green in two shots, Chuasirporn missed a birdie attempt from about 18 feet, then watched as Pak lined up her final putt.

"I really had a sixth-sense feeling she would make it," Chuasirporn said.

After many holes, and many anxious moments, Pak had won another major.



Se Ri Pak sinking a birdie putt on 12th hole in U.S. Women's Open.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS						Oakland Seattle
AMERICAN LEAGUE						
EAST DIVISION						
	W	L	Pct.	GB		
New York	61	20	.753		Atlanta	
Boston	52	30	.632		New York	
Toronto	46	42	.523	18 1/2	Philadelphia	
Chicago	42	42	.500	26	Montreal	
Tampa Bay	34	52	.395	29 1/2	Florida	
CENTRAL DIVISION						
	W	L	Pct.	GB		
Cleveland	50	35	.588		Houston	
Minnesota	40	46	.465	10 1/2	Chicago	
St. Louis	40	44	.476	12 1/2	Los Angeles	
Chicago	35	51	.407	15 1/2	Pittsburgh	
Detroit	30	50	.375	19 1/2	Cincinnati	

OBSERVER

Ideas and Image

By Russell Baker

NEW YORK — Hamilton, Madison, Franklin, Washington, Adams and Jefferson had these ideas.

They didn't have any polls.

Didn't have any focus groups.

Never had the advantage of a photo op.

Never interrupted a trip to Asia by stopping off in Alaska, like Reagan, so they could have their pictures taken saying "Hi there!" to the Pope.

Madison, Franklin, Washington, Adams, Jefferson and Hamilton had ideology.

Didn't have brilliant campaign consultants warning them that ideology was poison.

Had nobody at all to tell them: "Lay off the ideas, Jamie. Keep the old lip buttoned about ideology. Ben, George, John, Tom and Alex."

Didn't have any television instructors to make them get their teeth capped, hair dyed, lips painted, cheeks rouged.

All they had were these ideas they'd picked up from — reading! Reading books!

Franklin, Washington, Adams, Jefferson, Hamilton and Madison were different from Clinton, Gingrich, Gore, Lott.

Different from Bush, Quayle and Reagan, too. Bush, Franklin, Washington, Adams, Jefferson, Hamilton and Madison had ideas. They knew philosophy. They had ideology. They had ideas about how government should work.

Unlike Clinton, Gingrich, Gore and Lott, Bush, Quayle and Reagan, they didn't have speechwriters to help them drive audiences half-mad with joy by uttering vacuities like "Read my lips!" and

"It's morning in America" and "I feel your pain."

When they needed a tough piece of writing done they had to decide for themselves what they wanted to say, then lean over Jefferson's shoulder to make sure he was saying it the way they wanted it said.

They were familiar with the best writing of the 18th century. All those French intellectuals. And John Locke!

Locke with those ideas about mankind's most precious rights: life, liberty and property. They loved property, but they knew that "life, liberty and property" detracted from the nobility of their own ideas, which were more daring than Locke's.

They didn't have image advisers to warn them that unpropertied people were not likely to be enthusiastic about dying for property rights.

But they had common sense. They changed "property" to "pursuit of happiness."

Washington, Adams, Jefferson, Hamilton, Madison and Franklin were free to have ideas because they had no pollsters.

Clinton, Gingrich, Gore and Lott, Bush, Quayle and Reagan did not need to have ideas.

When they needed to know what people wanted them to say they asked a pollster to find out, then they told people what the pollster said people wanted them to say.

Jefferson, Hamilton, Madison, Franklin, Washington and Adams — they had ideas.

Clinton, Gingrich, Gore and Lott, Bush, Quayle and Reagan? Lamentation will do no good. It is not given to every generation to have a golden age.

New York Times Service

A Literary Wanderer, Far From North Korea

By Don Kirk
International Herald Tribune

SEOUL — Peter Hyun looks back on a world that opened to him as a child, during the period of Japanese colonial rule in Korea, and wonders where on earth he belongs.

"I'm a gypsy. I'm stateless," said Hyun, during one of his frequent returns to Korea. "I know a country, but I'm not a part of it."

Author, editor, memoirist, Hyun isn't exactly searching for his roots. Rather, at 70, he's trying to make sense of a life that began in the industrial city of Hamhung, near the east coast of what is now North Korea, and has somehow deposited him in New York and France.

"I want to go home to North Korea," he said, but mostly he would like to revisit the turbulent era in which he was born and raised, then flung into what is now South Korea on his way to the life of a literary wanderer in alien Western cultures.

He evokes those days in a memoir published in Korean, serialized in the local press and turned into a Korean television special. Now he is writing what he describes as "a fictional account of my memoirs," hoping the story, as a novel, will interest foreigners.

Turning the story of his life into English should not be an impossible task for one who was inspired to write after reading Walt Whitman's "Leaves of Grass" while interpreting for American GI's shortly before the outbreak of the Korean War.

The time between the Japanese surrender in 1945 and the outbreak of the Korean War nearly five years later "was an exciting period for Korean artists and intellectuals," Hyun said. "Many of them were radicals. The American military was not very happy with them. Some escaped to the North."

Hyun Woong, as he was named at birth in Korea, had other ideas. He had just lived through World War II in the North under Japanese rule. "It was terrible," he said. "We were not allowed to speak Korean. The Japanese were very cruel."

After the Russians arrived in the North in 1945 to run the communist regime north of the 38th parallel, one of the Russians asked him if he would like to study in Moscow. His oldest brother was then working in a coal mine near the Russian border. He demurred, preferring to wait until his brother fled to Seoul and a professorship of theology at Ehwa Women's College, where their late father had once lectured.

Following his brother, he found work with



Peter Hyun at age 70: "Not many Koreans have lived this kind of crazy life."

the Americans, interviewing refugees from the North.

But starry-eyed visions of life in a new world fell apart after a year on a full scholarship at Hastings College, a Presbyterian school in Nebraska, for which an American officer had recommended him. "I was the first and only subscriber at the college to the Daily Worker," he said. That and a fling with a female student so incensed the authorities at the school that they gave him 24 hours to leave campus. He boarded a Greyhound bus out of town with one souvenir of life in the heartland, a new name. Peter, which he first used that year on a poem for Poetry Magazine.

Next stop was Washington, where he was working part-time at the Library of Congress when the Korean War broke out. Very soon he discovered he was again not wanted. The Immigration and Naturalization Service, possibly tipped by J. Edgar Hoover's FBI that he had once subscribed to the Daily Worker, classified him as "an undesirable alien." He had a choice: leave the United States in two weeks for anywhere that would take him, or

face a board with the power to deport him.

"It was August 1952," Hyun said. "My native country was North Korea. I could not go back there. I had a Spanish friend. He took me to the Spanish Embassy. I got a visa on the spot and went to Madrid."

That was the beginning of a European odyssey in which he got a diploma from the Sorbonne and met his future wife, Judy Douglas, daughter of a wealthy American mining engineer.

"When her father learned that the apple of his eye was determined to marry this penniless Korean, he was furious," Hyun said. "I was writing for France Observateur, now Le Nouvel Observateur. It was socialist left-wing."

The South Korean ambassador, viewing France Observateur as "communist," refused to grant him a passport. "I was stateless for a few years," he said. To work at the BBC in London, he had to borrow the passport of a friend who looked somewhat like him.

"In Paris I met writers, literary types," said Hyun, dropping a list of names of authors who sojourned there in the '50s. He then turned to writing for British publications — The Ob-

server, The Listener, Queen. His wife, whom he married in London, gave birth to a daughter in Paris in 1961.

Hyun's American phase began when he convinced the American Embassy in Paris that he had never been a Communist, got a visa as the spouse of an American and moved to New York with his wife, who was an assistant curator at the Metropolitan Museum of Art. Hyun found a job as a book editor at a small press. After the company went out of business, he went to work at Doubleday as an editor of children's books.

"Doubleday hired me, and I flew to Europe to look for authors, to sell books. I traveled so often, colleagues spread rumors that I was a CIA agent." He even returned to Korea during the 1963 presidential campaign and interviewed Park Chung Hee, who already had power and wanted to confirm it at the polls, for the New York Herald Tribune.

Granted American citizenship, Hyun began to work on books of his own.

Tragedy, however, intervened. His wife started complaining of aches and pains, and by the time she was diagnosed with lymphoma, she had only a few months to live. In 1970, at 32, she died.

Later, on a trip to Seoul Hyun met a former music student, Song Young In, and remarried.

He began to rotate with his family between the United States and a renovated chateau in the Loire Valley. He took on more editing jobs, founded a magazine in Seoul named Koreana and wrote his memoirs, which have made him well-known in Seoul.

"Not many Koreans have lived this kind of crazy life," he said. He now sees himself as a link between disparate cultures.

"Because I happen to live in both worlds, I would like to play that role as a bridge," he said. "Koreans resist. They're kind of like frogs in a pond. Those guys who've spent time in grad school in the U.S. or London come back and are Koreans again."

He is more optimistic about Koreans raised abroad. "They are globalized Koreans," he said. "I hate to say 'Westernized,' but they see both sides of the coin, whereas Koreans here as a whole are narrow-minded."

For all his trips to South Korea, Hyun isn't satisfied. "I want to see my birthplace again before I die," said Hyun, who returned on a reporting trip in the early 1970s and came back with distinctly negative impressions. "But I hate the North Korean government. They will never let me back."

PEOPLE



Harvey Ball, who in 1963 created the smiley face that became a worldwide symbol.

WHEN he learned one day recently that a Frenchman had registered a trademark for the smiley face, Harvey Ball did not have a nice day. As nearly everyone in Ball's hometown of Worcester, Massachusetts, knows, it was he who designed the ubiquitous symbol of good cheer in 1963. Franklin Loufrani, a 55-year-old French entrepreneur first registered the symbol in 1971 and now holds the trademark in much of the world. Loufrani has threatened to sue U.S. companies that manufacture or sell products with the smiley symbol in the 80 countries where he holds the trademark. Loufrani said he made up smiley for a French newspaper to illustrate positive stories after the student riots in 1968. Ball, a free-lance artist, was paid \$45 in 1963 to come up with a graphic for State Mutual Life Insurance Co., which printed 100 smiley buttons and generated requests for tens of thousands of buttons. Ball, now 76, never sought a trademark or copyright, and he isn't planning legal action against Loufrani. He just wants recognition as smiley's creator.

He was the king of the singing cowboys, and when Roy Rogers died, a little bit of the music died with him. Rogers' old singing group, the Sons of the Pioneers, canceled a show in Branson, Missouri, after hearing of their founder's death. Dale

Warren, the group's leader, said. "It's a sad day for all of us, for all of America. Ronnie Pugh, a historian with the Country Music Foundation in Nashville, said: 'He and Gene Autry were the cowboy sound. They were on the side of angels, Americanism, good wins over evil.' Dozens of Rogers' fans trekked to Victorville, California, to pay their respects at the museum he and his wife, Dale Evans, built."

The French soccer star David Ginola is planning to take up the role in the International Red Cross's campaign against land mines left vacant by the death of Diana, Princess of Wales. The involvement of Ginola, 31, who plays for Tottenham Hotspur, was announced as the British government prepares to ratify the Land Mines Treaty later this week.

The cellist Julian Lloyd Webber and his wife, Zohra, are separating after nine years of marriage. In a brief joint statement, the brother of the composer Andrew Lloyd Webber and his second wife said they had been living apart "for some months."

Queen Elizabeth II will visit Paris later this year

to unveil a statue of Sir Winston Churchill. She will also attend ceremonies to mark Remembrance Day on Nov. 11 in the French capital and in Ypres, Belgium, to mark the 80th anniversary of the end of World War I. The statue of Britain's wartime leader will be on Avenue Winston Churchill, just off the Champs Elysees.

The European Commission's president, Jacques Santer will award platinum records to music stars from Joe Cocker to Aqua at a ceremony Thursday in Brussels. The award recognizes musicians whose albums released since Jan. 1, 1994, have sold more than one million units in Europe.

The former Motown star Michael Jackson returned to his musical roots, blowing kisses as he stepped off a plane in Detroit to announce a family entertainment venture and unveil a new video.

Milton Berle's son, Bill, is circulating a proposal for a tell-all biography that portrays the 89-year-old comic as an absentee father, domestic tyrant, chronic gambler and a world-class womanizer, according to the New York Post.



(use your head)

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